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25 October 1983

# Southeast Asia Report

No. 1358

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25 October 1983

## SOUTHEAST ASIA REPORT

No. 1358

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## AUSTRALIA

### BRIEFS

MILITARY TEAM IN UGANDA--Australia has agreed to Ugandan Government's request to extend the term of its military training team by another 6 months. Announcing this today, the acting foreign minister, Lionel Bowen, and Defense Minister Gordon Scholes said the instructors were part of the commonwealth military training team in Uganda. However, they said it would be Australia's final contribution to the team, with their tour of duty being extended only at the request of President Obote of Uganda. Australia has a five-man team in Uganda with other military instructors drawn from the United Kingdom, Canada, Sierre Leone, Guyana, Tanzania and Jamaica. The two ministers said their government's objective in supporting the military training team was to help improve the level of training and efficiency of the Ugandan National Liberation Army as well as encouraging social progress and human rights in that country. [Text] [BK071331 Melbourne Overseas Service in English 1230 GMT 7 Oct 83]

CSO: 4200/80

BCP ORDER OF BATTLE, ALLIANCES WITH MINORITY GROUPS REPORTED

Bangkok MATUPHUM in Thai 28 Jul 83 pp 1, 3

[Article: "The Strategy of the Burmese Communists and the Minority Group Problem"]

[Text] The Strategy of the Burmese Communist Party [BCP] and the southward expansion of its influence is a matter that continues to be discussed widely. One major problem is that the influence of the BCP will be able to win over the minority groups, of which there are many different groups scattered here and there. These groups have been an important factor in blocking the influence of the BCP for many years.

Based on data obtained from a military intelligence unit that has followed the matter of the Burmese communists and the minority groups using sources of intelligence that are quite reliable and accurate, with this data going deeply into the internal affairs of the BCP, this report aims to present material that should be of use concerning a matter that is now being discussed. Or at least, this should help provide a true picture of the matter and clarify things that were obfuscated by Lieutenant General Chawalit Yongchaiyut, the assistant chief of staff of the army for operations.

The BCP was established in 1938 through the influence of the Indian Communist Party. At that time, Burma was still a colony of England.

After a period of expansion, the BCP formed a close united front with one Burmese political party known as the Anti-Fascist League, which was led by Aung San.

Around 1946, they split away from the Anti-Fascist League because of a difference of opinion. That is, Thakin Soe, a member of the Anti-Fascist League, disagreed with Aung San's policy of negotiating with England to gain independence by making compromises. Thakin Soe believed in using force. Since he was dissatisfied, he split away and established a new party known as the Communist Party of Burma (CPB), which was also known as the Red Flag Communists. This group had approximately 300-400 men and operated in the southern Irrawaddy Basin area.

At about the same time, Thakin Tan Tun, who was the secretary-general of the Anti-Fascist People's Freedom League (AFPLF) and who supported communism, tried to seize power in the AFPLF. He failed and was expelled from the league. He then formed a new party known as the Burmese Communist Party, or White Flag Communists. This group had a strength of approximately 1,000 to 2,000 men. It operated in the Peku mountains and then moved to carry on operations on the eastern side of the Sittang River. This party received support from the Chinese Communist Party.

Later on, the leader of the Red Flag Communists, Thakin Soe, was captured by Burmese officials. The members of this party were completely eradicated in 1976. As for the White Flag party, after Thakin Tan Tun was assassinated, Thakin Ba Thien Tin took command. Their increasing strength has created suppression problems for the Burmese up to the present time.

#### Support From the Chinese Communist Party

What is clear is that, ever since 1970, the Chinese Communist Party (CCP) has given support to the BCP. A school was established at Ssu Mao in Yunnan Province to provide political and military training.

A factory to produce uniforms, insignias and daily articles used by soldiers was established at Mong Ma near the Burmese-Chinese border. The BCP receives most of its weapons, ammunition and medical supplies from the CCP.

In 1972, the CCP and BCP established a joint force composed of CCP forces and White Flag forces (including Wa, Kachin, Lahu and Shan tribesmen). This force numbered about 5,000-6,000 men. Its headquarters was located at Mong Panghsang. This was referred to as the North-Eastern Command. Three units were directly subordinate to it: the 2nd Brigade, with about 1,200 men, which was based at Mong Kokang; the 5th Brigade, with approximately 2,000 men, which was based at Mong Panghsang; and the 8th Brigade, with approximately 1,800 men, which was based at Mong Ma.

There were about 100 officers, [most of whom] were from the CCP. As for the noncommissioned officers and soldiers, most were people from the surrounding localities.

In 1981, the BCP held a meeting in Mu Su Nang in the northern part of Shan State. This was attended by various people. At the meeting, the CCP representative asked the BCP to continue its policy of struggle against the Burmese government and to carry on united operations. The CCP said that it would provide weapons and various war materials and that it would ship raw opium to the BCP so that it could trade it to obtain money to support its forces.

#### The Present Situation

At present, the BCP has a force of about 15,000 armed men. The party chairman is Thakin Ba Thein Tin, and the supreme commander is General



Cho Soe. The main headquarters is located at Mong Panghsang. There are two divisions and three brigades:

The 5th Division, based at Mong Ngaen, has 4,000 men. It is commanded by General Cha Soen. Its zone of operations includes Mong Nu, Mong Chieng Kham, Mong Panghsang and Mong Kan.

The 8th Division, based at Mong Panghsang, has 3,500 men. It is commanded by General Cho Soe. Its zone of operations includes Mong Phaen and Mong Pangpho.

The 683rd Brigade, based at Mong Kehsi Mansam, has 1,800 men. It is commanded by Mr Yang Chong Woei. Its zone of operations includes Mong Kut, Mong Kung, Mong Nong and Mong Su.

The 768th Brigade, with its forward headquarters located at Mong Salu and its rear headquarters located at Ban Nam Sup in Mong Yang, has approximately 2,000 men. It is commanded by Mr Min. Its zone of operations includes Mong Salu and Ban Nong Hok.

The 815th Brigade, which is based at Mong Ma, has approximately 3,000 men. It is commanded by Mr Cho Soe Ni. Its zone of operations includes Mong Yong, [words illegible], Mong Chin, Mong Chieng Lap and Mong Pa Lieu.

#### Relations Between the BCP and the Minority Groups

The forces of several minority groups, such as the TIA group, the group of A Bi (Lahu), the leftist Kayah group, the New Kayan group, the pro-communist Pa-O group and the SSA (Shan State Army), have joined the united front of the BCP.

The TIA joined the BCP's united front in 1981. Mr Lao Fa is the commander of the TIA forces. He took about 40 men from Ban Tham Fa Chom in Mae Sai District, Chiang Rai Province, and joined the BCP's 768th Brigade at Mong Yong (LK6545), which is commanded by Mr Min. The TIA group was given the task of spreading propaganda in order to gain more members in the zone stretching from Mong Phayak to Mong Chiang Tung. This group was also given the task of transporting opium from the Mong Bang area and selling it to narcotics traffickers along the Thai-Burmese border in the Chiang Rai area.

The group of Mr A Bi joined the BCP's united front in 1977. The BCP gave it men, weapons and ammunition so that it could expand its influence in the Doi Lang area. But it was fiercely opposed by Khun Sa's SUA forces. Its forces were scattered and forced to live in Mong Yon. Some elements crossed the border into Thailand settled in Mae Ai District in Chiang Mai Province.

At the end of 1981, the BCP established a joint headquarters at Ban Thi Tari and a smaller headquarters at Khun Huai Mae Po in Mae Sariang District, Mae Hong son Province. The two have been in constant contact, and they have received financial support from China. As for weapons, most are purchased in Mae Hong Son Province from the Communist Party of Thailand.

At the Thi Tari Headquarters, there are approximately 500 men from the following three minority groups:

The communist Pa-O group, which is led by Colonel Tha Kalei. This group has approximately 300 men. It operates in the area around Ban Thi Tari, in the Doi Thung Mao area and in the area south of Mong Tong Yee.

The New Kayan group. This group has approximately 100 men here. It operates in the Mong Pa Long Area.

The leftist Kayah group. This group has about 60 men. It is led by Mr Tan Bun. It operates in the area of Ban Mae Chae and Ban Nam Mang in Kayah State. Some of its forces are stationed at the smaller headquarters at Khun Huai Mae Pa (LR 6754) in Sao Hin Commune, Mae Sariang District, Mae Hong Son Province. Approximately 70 of its men carry on joint operations with Thai communist terrorists.

As for the Shan States Army (SSA) group, it was a part of the BCP's united front during the period 1975-1979. But around 1981, it split away and [operated apart from the BCP] until the middle of July 1982. At present, (the beginning of October 1982), there are reports that the Shan States Army (SSA) is again cooperating with the BCP.

As for Khun Sa's group (the SUA), one report said that on 26 March 1983, approximately 30 border patrol police seized an SUA base located near the Burmese-Thai border in Muang District, Mae Hong Son Province. Then, on 4 April 1983, approximately 30 SUA troops retaliated by attacking the border patrol police base at Doi Kiu Hok, Ban Thung Da Han, Muang District, Mae Hong Son Province. After these events, Thai officials met and talked with Colonel Liang Chong Min, the SUA chief of staff, on 5 April 1983 in order to ask the SUA to turn over the soldiers who had attacked the border patrol police base so that they could be prosecuted. But the SUA denied any involvement in this matter. They claimed that it was the SSA that had attacked the border patrol police base at Doi Kiu Hok.

It can be seen that many of the minority groups have joined the BCP's united front because of the fact that no one else has given them any weapons, ammunition, clothing, consumer goods, medical supplies or other forms of support.

However, based on an analysis made by Thai officials, it is believed that these minority groups are still firmly committed to splitting away from Burma and forming an independent state. They have joined the united

front of the BCP because they feel that by doing so, they stand a better chance of driving out the Burmese government. However, it seems likely that if the BCP succeeds in toppling the Burmese government, these minority groups will still be rebels and will then have to fight the BCP in order to form an independent state.

#### Burmese Government Operations

The Burmese government has constantly tried to suppress and wipe out the BCP by using superior forces to attack the bases of the BCP. But it has achieved little success. This is because it lacks knowledge of the terrain and has not carried on psychological operations. Also, government troops have oppressed the various minority peoples and unfairly conscripted them for labor projects. Thus, the local people, especially those in the eastern Shan State, have cooperated more with the BCP than with the Burmese government.

#### The Burmese Communists, a Real Threat?

Based on information provided by officials, it is believed that the Communist Party of Thailand intends to link up and cooperate with the Burmese communists since the situation and beliefs of the two groups are fairly similar. One military intelligence document states:

"If the BCP succeeds in expanding its influence from the north to the south of the Shan State, which borders the northern and northwestern part of Thailand and which is an area where the BCP has formed a united front with Burmese minority groups--with most of the united front groups once living along the Thai-Burmese border--this united front will serve as a good link to the CPT.

"At present, the Pa-O and leftist Kayah groups are trying to prevent the rightist Kayah group from receiving financial support from Burmese merchants. This has caused great problems for the rightist Pa-O group. If this continues, the rightist Pa-O group may disintegrate, and the united front group will gain influence over this area in its place.

"If this happens, the Thai-Burmese border area stretching from Chiang Rai Province to Mae Hong Son Province may well fall under the influence of the BCP. This will enable the CPT and BCP to link their operations, and this will affect Thailand.

"However, the struggle being waged by the Burmese government is slowing the spread of the BCP's influence from the north to the south. Thus, it is unlikely that this will have any influence on Thai security in the near future.

Another thing that should be discussed is the influence that the BCP has on some of the other minority groups such as the Karen group of General

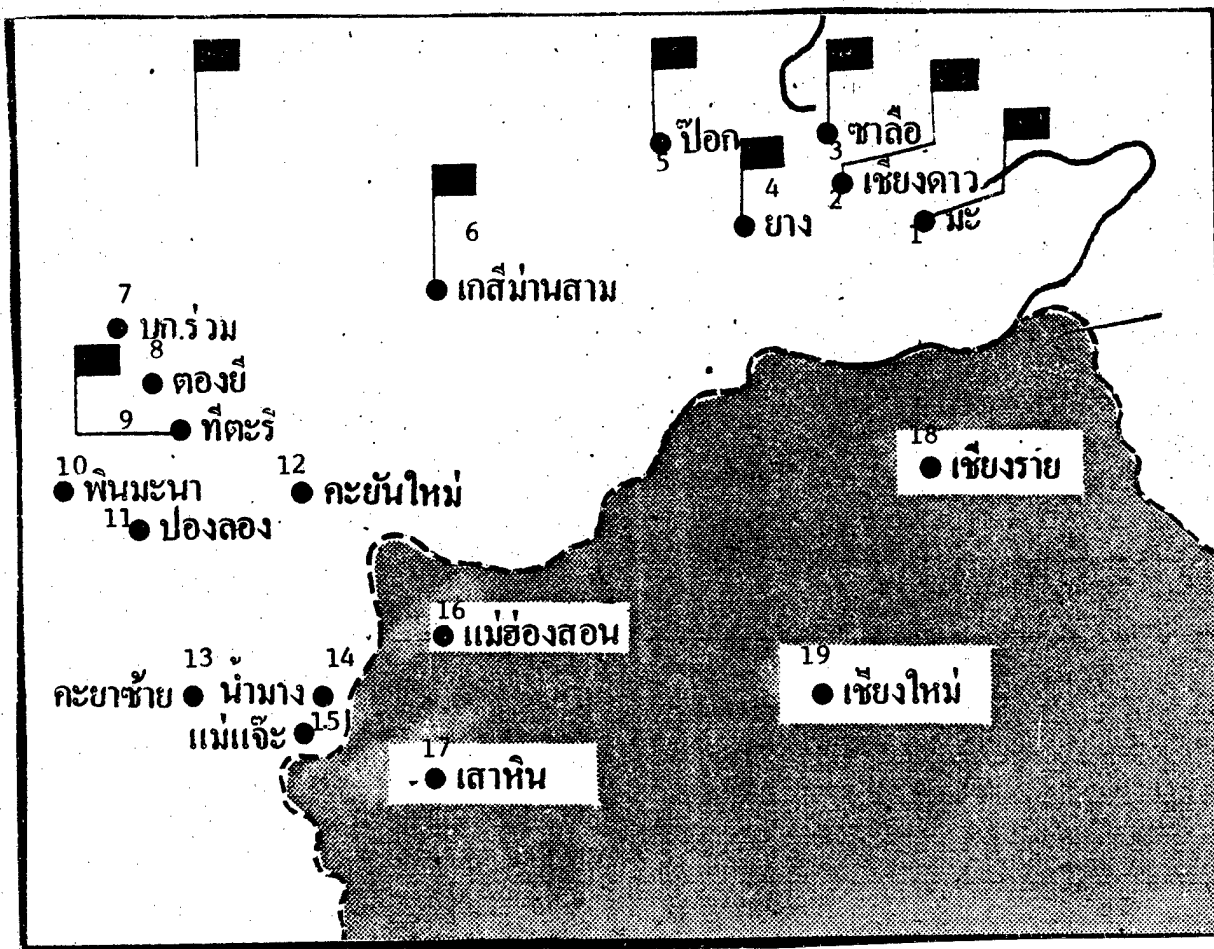
Bo Mya and the Mons. Concerning this, Police Colonel Choetchamrat Chitkarunarat, the deputy commander of the Region 3 Border Patrol Police, once told MATUPHUM that these two minority groups are still playing an important role in curbing the influence of the BCP in the south.

Similarly, a news source in the Office of the Narcotics Control Board (ONCB) spoke about data on opium trading. The news source said that Khun Sa has been forced to make contact with people in Laos instead of contacting the BCP as he used to do. This clearly points out what relations are like between the two groups.

Intelligence officials have not been able to confirm or find any conclusive evidence that the BCP has achieved any success in gaining influence over these large minority groups. The only thing they have found is that the BCP is making an effort to do this.

From all the data presented above, it is clear that the BCP has greatly increased its influence. But there are still several blind spots that show that it will not be easy for the BCP to expand its influence in the south.

Thus, the conclusion at this point in time is that the new danger posed by the Burmese communists is something that should be watched. But they will not pose a threat to Thai security in the near future.



Key:

1. Ma
2. Chiang Dao
3. Sa Lu
4. Yang
5. Bok
6. Kesi Man Sam
7. Joint headquarters
8. Tong Yee
9. Thi Tari
10. Phin Mana
11. Pong Long
12. Kha Yan Mai
13. Kha Ya Sai
14. Nam Mang

15. Mae Chae
16. Mae Hong Son
17. Sao Hin
18. Chiang Rai
19. Chiang Mai

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CSO: 4207/168

BURMA

THAI PAPER REPORTS 17 KARENS KILLED IN FIGHTING

BK010657 Bangkok BANGKOK POST in English 1 Oct 83 p 16

[Text] Tak--Burmese troops killed 17 Karen rebels and wounded 25 others in fierce fighting near a Karen National Union [KNU] stronghold in Maw Pokay on Thursday, an informed Thai military source said.

No report of Burmese casualties was available, the source said.

On the same day, the source said, the Burmese Government despatched two helicopters and an additional 1,000 troops to reinforce its forward base in Nawtaya mountain range, about 16 kms west of Maw Pokay.

Fighting is expected to escalate within the next few days.

According to the source, Burmese engineering corps were also building a road into Nawtaya as the troops advance towards the rebel stronghold.

Burmese troops have succeeded in cutting off supplies to Maw Pokay from another rebel redoubt opposite Mae Sot District.

Maw Pokay, opposite Tha Song Yang District, is normally guarded by about 1,000 KNU rebels.

The force has been recently increased to about 3,000 with reinforcement from KNU headquarters further north, opposite Mae Hong Son Province, and allied forces from other minority groups in the wake of the Burmese offensive, said the source.

Meanwhile, a Border Patrol Police source said a Thai villager kidnapped by Karen rebels last June is believed killed.

Mr Si Thammarak of Ban Mae Tan in Tha Song Yang was suspected by the Karens to be a spy for the Burmese following an attack on Maw Pokay last June by Burmese troops who crossed into Thai soil to launch a surprise assault from the rear.

CSO: 4200/78

BURMA

CLANDESTINE RADIO VOPB CARRIES BATTLE REPORTS

Keng Tung Region

BK021235 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT 2 Oct 83

[Text] Combat news from Keng Tung region: On 1 September, a guerrilla attack by a small unit of the People's Army at (Hwe Mong)-(Hwe Mu) resulted in one mercenary corporal from the military government's mercenary 5th Infantry Regiment being killed. On 10 September, another mercenary from the 5th Infantry Regiment was killed in (?Mong Lung)-(Man Htaw) as a result of an attack by a small guerrilla unit.

On 14 September, a small unit of the People's Army made a guerrilla attack on the military government's mercenary 1st Rifles Regiment on Mong Lwe-Mong Hkak road. The attack killed one enemy soldier and wounded another. In the evening of 19 September and the morning of 20 September, a People's Army unit attacked and crushed the 2d Company of the 2d Military Column of the military government's mercenary 5th Infantry Regiment.

On 19 September, the 2d Company of the 5th Infantry Regiment entered (Teng Tawng) village, southeast of Mong Lwe, to persecute the people. The group of mercenaries who had trespassed into the region with an evil intent were attacked from four sides and finally crushed by the People's Army and the people. A total of 23 enemy soldiers, including 2 mercenary lieutenants, were killed and 9 were wounded. Four were taken prisoner. Only a few enemy soldiers escaped. Of the four prisoners, two were released unharmed at the battlefield.

The People's Army captured a pistol, a 4 carbines, 7 G-3's and G-4's, 3 M-40 collapsible mortars, a 2-inch mortar, 23 shells for the collapsible mortars, 25 2-inch mortar shells, 7 grenades, over 2,000 rounds of assorted ammunition, and many other military supplies.

Northern Zone

BK080916 (Clandestine) Voice of the People of Burma in Burmese 0030 GMT  
8 Oct 83

[Text] Combat news: On 1 September, a small unit of the People's Army launched a guerrilla attack against a military column of the military government's mercenary 21st and 93d Infantry Regiments which entered into a liberated area near Chipwe, located northeast of Myitkyina. The attack killed three enemy soldiers and wounded four others.

On 19 September, a small unit of the People's Army conducted a mine attack on the Myitkyina-Chipwe Road which completely destroyed an enemy vehicle, killed nine enemy soldiers, and wounded some others.

Combat news from the Shan State Army [SSA]: On 17 September, an attack was launched by a small unit of the SSA in an area between (Wanton), (Nanyang), and (Pame), located east of Hsipaw. The attack killed an enemy soldier and wounded another.

Looting and destruction by the military government's mercenary troops: On 17 August, mercenary troops from the 82d and 83d Infantry Regiments of the military government's mercenary 66th Division used a battle near (Wa) as an excuse and molested and abused the local women in (Saingtang) village, located south of Hsipaw. They also looted clothing, knives, daggers, chickens and nearly 10,000 kyat in cash from the people.

Mong Wa

BK090849 (Clandestine) Voice of the People of Burma in Burmese 0030 GMT  
9 Oct 83

[Text] Combat news from eastern parts of Keng Tung: On 25 September, the People's Army dealt a sharp blow to the military government's mercenary 77th Infantry Regiment, the 83d Infantry Regiment, and the 11th Infantry Regiment which launched an offensive toward (Kandung), 7 miles southwest of Mong Wa.

The 77th Infantry Regiment led the offensive while the 83d and the 11th Infantry Regiments were rearguard units. The vanguard 77th Infantry Regiment was attacked by the People's Army from three sides and decimated. The units following hit the mines planted and suffered casualties. In this campaign, a total of 53 enemy soldiers--25 killed, including those hit by mines, 27 wounded, and 1 taken prisoner--were put out of action.

The People's Army captured 4 carbines, 1 mortar, 2 G-3's, 1 G-2, 2 stenguns--a total of 10 weapons--a radio transmitter, and more than 2,000 rounds of ammunition.

CSO: 4211/3



#### NOTE

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Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

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BURMA

RADIO KAWTHULAY CARRIES BATTLE REPORTS

4 October Report

BK041414 (Clandestine) Radio Kawthulay in Burmese to Burma 0430 GMT 4 Oct 83

[Text] Battle area No 1, 1st Brigade, Thaton District area battle news: On 6 September our corporal, Saw Hla Kyaw, was captured by the enemy in (Htiphadu) village.

On 8 September our corporal, Paul Nawpwe, was captured together with 1 AR and 200 rounds of ammunition.

At 1100 on 14 September a private from a military column of the enemy's 31st Infantry Regiment surrendered to us along with one G-2.

Battle area No 2, 2d Brigade, Toungoo District area battle news: On 28 August, an enemy soldier was killed by our mines in (Pawphagwin).

On 3 September, another enemy soldier was killed by mines in (Kalesalu). On 11 September, one of our mines killed an enemy soldier and wounded another in (Kalesalu).

On 14 September, a defense unit from our side clashed with the enemy in (Yahta Kyelut). An enemy soldier was killed during this battle, while there were no casualties on our side.

On 17 September another enemy soldier was killed by our mines in (Kalesalu).

Battle area No 6, 7th Battalion, Pa-an District area battle news: On 13 September, military column No 2 of the 7th Battalion of the Karen National Liberation Army [KNLA] clashed with a column of the enemy's mercenary 1st Light Infantry Regiment in (Htibaduklo) near (Takhaw Bopya). During this battle, two of our members sacrificed their lives for the country and people.

On 17 September, a mercenary unit of the enemy attacked an Indian settlement at (Yawpohta) with heavy weapons, killing three Indian villagers and wounding two others.

Battle area No 6, (Tardowa) column, Papun District area battle news: On 19 September, our unit attacked enemy troops in (Gyargawlu), killing an enemy soldier.

On 20 September, Private Chit Tun Mya, serial No 543920, from the 4th Company of the enemy's 60th Infantry Regiment surrendered to us together with 2 G-2's, 2 G-3's, 1 G-4, 297 rounds of ammunition, and magazines.

Battle news of the 1st Company, 2d Company, and military column No 2 of the 7th Brigade from the Central Military Headquarters: Our units fought with the enemy troops on (Htilane) Hill from 17 to 19 September. Three of our men laid down their lives for the country and people during this battle.

At 1100 on 21 September, our troops fought with the enemy troops on (Htilane) Stream. During this battle, the 1st Company from our Central Military Headquarters captured two G-2's. At 1900 on the same day, the enemy troops attacked our unit at (Waklehko). The battle ended at midnight. Our 2d Company seized from the enemy one pistol, one G-2, and one pair of binoculars. During this battle, the enemy suffered 22 dead and 185 wounded. Three enemy helpers [porter] were also wounded. The enemy troops were from the 6th, 7th, and 10th light infantry regiments.

Battle news from the No 101 Special Battalion: On 7 September, our private from the No 101 Special Battalion, Saw Sa He, went to Mepale and surrendered to the enemy camp together with 1 AR, 1 magazine, and 25 rounds of ammunition.

In the evening of 19 September, military column No 2 of the enemy's 8th Light Infantry Regiment stationed in Mepale went to (Mawasuhtha). At 2000 on 18 September, our unit launched a guerrilla attack against the enemy.

#### 11 October Report

BK110833 (Clandestine) Radio Kawthulay in Burmese to Burma 0430 GMT 11 Oct 83

[Text] Battle area No 1, 1st Brigade, Thaton District area battle news: On 22 September 1983, a frontline mobile unit of the 1st Brigade of the Karen National Liberation Army [KNLA] clashed with an enemy unit from the 9th Light Infantry Regiment near (Nobawpaw). One of our members laid down his life for the country and people during this battle and the enemy captured one of our AR's. On 24 September, our unit attacked the enemy forces in (Heeche) village, killing two members of the enemy's mercenary army and wounding three others. Two villagers were also wounded. On 26 September, our unit attacked enemy soldiers stationed in (Kukhli) village, killing an enemy sergeant and wounding a platoon commander. A villager was killed during the attack.

Battle area No 3, 3d Brigade, Nyaunglebin District area battle news: On 8 September, a frontline mobile unit of the KNLA's 3d Brigade attacked an enemy unit from the 57th Infantry Regiment at (Htiwepha).

On 9 September, an enemy mercenary unit was hit by our mines in (Lawklawkhi), killing an enemy soldier.

Battle area No 5, 6th Brigade, Duplaya District area battle news: On 19 September, Private Than Soi, Serial No 478-947, from the enemy's 32d Infantry Regiment, surrendered to the KNLA together with 2 G-3's, 4 magazines, and 40 rounds of ammunition.

Battle area No 6, 7th Brigade, Papun District area battle news: On 29 September, our unit attacked an enemy mercenary unit in (Muhta). One of our members sacrificed his life for the country and people during this battle.

Battle news of the 1st Company from the Central Military Headquarters: At 1000 on 27 September, an enemy unit was hit by our mines in (Lesawtu). At 1100 on the same day, the enemy unit was again hit by our mines in (Yathelu). The two mine attacks killed a total of five persons. On 28 September, our unit attacked the enemy at (Nekasukhi).

CSO: 4211/3

## PUBLIC FIGURES COMMENT ON AQUINO ASSASSINATION

### Setback to Political Growth

Jakarta KOMPAS in Indonesian 22 Aug 83 pp 1, 12

[Excerpt] When contacted by a KOMPAS reporter on Sunday evening about the assassination of Aquino, Jusuf Wanandi, the director of the Centre for Strategic and International Studies (CSIS), said that the shots that killed the Philippine opposition leader were a blow and a setback to political growth in the Philippines.

He said that he thought that the incident would be followed by disturbances, since Aquino had a large number of followers, but he also feels that any disturbances that occur can be handled by the Marcos government.

"At this time it is difficult to say who was behind the assassination, however, Philippine authorities did warn Aquino that he would be killed by a certain group if he returned to Manila. Apparently he did not believe the warning," Wanandi said.

He said that President Marcos certainly was not pleased that Aquino had been assassinated, since the opposition leader occupied an important position in the struggle against the communists. "So, it is not impossible that Aquino was assassinated to discredit the government. This is what General Fabian Ver, the chief of staff of the Philippine armed forces, feared would happen," he said.

Wanandi said that the incident would have a considerable influence on the political situation in the Philippines in the time to come, that is, in the period after Marcos, since there are many groups that are contesting with each other in that country.

### Aquino Compared to Rizal

Jakarta KOMPAS in Indonesian 23 Aug 83 pp 1, 12

[Excerpts] "I was shocked that in the 20th century this act of barbarism could be carried out against this fighter. In my eyes he is the same as Jose Rizal, the Philippine hero who was shot by Spanish colonialists on 30 December 1896."

This was the comment of Adam Malik, former vice president of the Republic of Indonesia, regarding the assassination of Philippine opposition leader Benigno Aquino, 51, on Sunday when he returned to the Philippines from exile in the United States.

Adam Malik said that he and all of the Indonesian people were saddened by the event, particularly since Aquino was a leader and a fighter. He said that regardless of who was behind the assassination, it was a barbaric act because Aquino had no chance to defend himself.

He said that Aquino had been sentenced to death by the current regime but that did not give anyone the right to kill him because he had not had the benefit of due process.

He compared the cruelty of Aquino's assassination with the death of Jose Rizal, saying that even though the Spanish colonialists were cruel, Rizal was still given the opportunity to write letters and visit with his family.

Adam Malik also praised Aquino for his courage in returning to the Philippines to accept responsibility for his actions and political viewpoints. "If he had not felt a responsibility for his nation he would not have returned to his country," he said.

The same kind of courage was displayed by Jose Rizal before the Spanish colonialists when he was executed. According to Adam Malik, Rizal refused a blindfold at his place of execution on the shore of Manila Bay, saying that he wanted to die with his eyes open so that he could look at his country in his last moment of life.

Adam Malik said that history demonstrates that every act of terror, whether large or small, is met with terror. He noted that after Rizal was killed the people of the Philippines arose and drove out the Spanish.

#### Well Acquainted

Adam Malik said that he was well acquainted with Aquino and that he had once offered Mrs Aquino the use of his house in Jakarta when her husband was living in exile.

"He was a knight and a warrior. His return to the Philippines when he knew he might be killed by his enemies is proof of that. I honor and admire him," Adam Malik said.

Adam Malik would not comment when asked what effect Aquino's assassination would have on democratic life in the Philippines. He said that this was an internal affair of the Philippines. "As a member of ASEAN we must respect the internal affairs of other ASEAN members," he said.

## Outbursts of Violence

Marzuki Darusman, SH, the deputy chairman of commission I in Parliament, said that he regrets that acts of violence are resorted to in settling political problems in the Philippines. "With the death of Aquino the Philippines has lost a man who had the potential to lead the nation. Over the last few years Aquino has emerged as a prominent factor in Philippine politics," he said.

He said that Aquino's death would draw world attention and understandably might have a far-reaching political impact. In view of Aquino's work and dedication, "we should honor him highly for his sacrifice. The statements he has made leave no room for the slightest doubt about his democratic attitude," he said.

He also said that there will be many outbursts of violence on the political scene in the Philippines, since for every 10 Filipinos there is at least one who shares Aquino's political beliefs.

## Aquino's Death Regretted

Jakarta MERDEKA in Indonesian 23 Aug 83 pp 1, 11

[Text] Indonesia regrets and cannot approve of the assassination and death of Philippine opposition leader Benigno S. Aquino on his return from exile.

Minister and State Secretary Soedharmono commented briefly on the Aquino assassination, saying that the Republic of Indonesia did not approve of and regretted that the incident had occurred. No one can approve of this act, he said. The minister was not prepared to comment at length on the incident.

Meanwhile, Zamroni, a member of Parliament, said the incident is a sign that unconstitutional activities are still occurring in this neighboring country.

He said that democracy in the Philippines and in other developing countries occupies a peculiar position because it is subject to many limitations.

According to the member of the United Development Party (PPP), democracy is in better shape in Indonesia than it is in the Philippines. The constitution's requirements regarding democracy are being met, he said, but an irritant in the situation is that some officials feel that demands for more democracy are excessive.

He said that the shooting of Aquino was a matter of great concern, particularly when viewed in connection with the mysterious shootings that have occurred in Indonesia. He added that it was difficult to determine at this time whether Aquino's assassin was a government man or a member of the opposition who wanted hasten the downfall of President Marcos.

## Illogical

Amin Iskandar, a member of commission I in Parliament (the commission on defense and security, foreign affairs and information), said that it was illogical to think that the assassin could reach the aircraft, particularly after President

Marcos had been informed that a group would try to kill Aquino when he arrived in Manila.

He said that it was difficult to avoid making assumptions about statements to the effect that security personnel were not involved in the assassination.

He declared that Aquino's struggle received support not only from the common people but also from the Catholic church and Cardinal Sin.

It is unfortunate that the United States still is backing the Marcos regime, as is demonstrated by the statement of Secretary of State Schultz that Marcos is a true democrat, he said.

Soebekti, a deputy chairman of commission I of Parliament and a member of the Indonesian Democratic Party (PDI), said that he deplored the assassination of Aquino. He said that he felt that Aquino, in his competition against President Marcos, tried to apply the teaching of Mahatma Gandhi that peaceful means must be used in settling all problems.

Even so, he said, Aquino's opposition to the government had changed and become a moderate movement, and irresponsible persons were resorting to violence in opposing the movement.

#### Questions for President Marcos

Jakarta SINAR HARAPAN in Indonesian 23 Aug 83 pp 1, 12

[Text] On Tuesday morning seven Indonesian journalists called at the embassy of the Philippines on Imam Bonjol street in Jakarta to submit a statement of protest in connection with the assassination of former senator Benigno Aquino.

Mochtar Lubis, Yap Thiam Hien, Toety Herati, Sjachrir, T. Mulya Lubis, Aswab Mahasin and Abdul Rachman Saleh were received by Ambassador Manuel T. Yan in his office.

Mochtar Lubis submitted the statement of protest to the ambassador together with five questions directed to President Marcos. (The statement was signed by eight journalists but one of the signers, Daniel Dakhidae, was not present.)

[The statement said,] "We, the signers of this statement, protest most vigorously the failure of the government of President Marcos to ensure the safety of one of its democratic citizens, Senator Benigno S. Aquino, Jr."

The delegation also submitted five questions which are intended "to assist the thorough investigation of this assassination." One question reads: "If the government of the Philippines did not desire the presence of Benigno Aquino, why was Aquino's safety not guaranteed by forbidding him to debark from the aircraft or by putting him into an automobile as soon as he left the stairs?"



## Intentional Delay?

Another question reads: If the government of President Marcos really desires to close the case on the assassination of Benigno Aquino, then why was the killer shot dead and the opportunity to discover the motive for the assassination lost forever?

Other questions: If President Marcos is really a supporter of fundamental rights, then what was the purpose in allowing the body of Aquino's killer to remain sprawled on the tarmac for hours? Did not the delay in removing the killer's body also delay the examination of the body and the identification of the killer? Was this delay intentional?

The delegation also asked if President Marcos would receive official delegations from, for example, the International Commission of Jurists, Freedom House, the UN Commission on Human Rights or other international organizations and give them free rein in investigating the assassination. The delegation's statement also said, "We desire President Marcos to answer these questions with complete candor."

Mochtar Lubis also submitted to the ambassador a statement from the Asian Regional Council on Human Rights. The text of this statement was published by SINAR HARAPAN on Monday.

Ambassador Yan responded to the delegation by saying that he too was saddened by the event and that Benigno Aquino had been his friend since schooldays. He also said that he was sure that there would be a thorough investigation of the assassination, as President Marcos had promised in his statement. Ambassador Yan gave Mochtar Lubis a copy of the statement by President Marcos on the tragic event.

## Statement of Cipayung Group

Jakarta KOMPAS in Indonesian 27 Aug 83 pp 1, 12

[Text] The Department of Foreign Affairs deplores the assassination of Benigno Aquino, the Philippine opposition leader who was killed on 21 August. In a statement issued on Friday the Department of Foreign Affairs also said that it expected and was confident that the Government of the Philippines, with the appointment of a special commission, would conduct a complete and thorough investigation of the assassination.

The statement said that this would result in the clarification of all matters relating to the assassination and the resolution of all doubts.

## Cipayung Group

Yesterday morning a delegation from the Cipayung Group called at the embassy of the Philippines on Imam Bonjol street in Jakarta. (The Cipayung Group is composed of five organizations of university students, namely, the Muslim Students Association or HMI, the Indonesian Catholic Students Association or PMKRI, the

Indonesian National Students Movement or GMNI, the Indonesian Christian Students Movement or GMKI, and the Indonesian Muslim Students Movement or PMII.) The delegation extended its condolences in connection with "the despicable and savage murder of the fighter for Philippine democracy, Benigno S. Aquino, Jr" and appealed for "an end to the suppression of fundamental human rights and democracy."

The delegation was received by the third secretary, Lorenzo L. Medilo. The statement submitted by the delegation said that the news of Aquino's assassination had been a great shock to every democrat. The incident also is a reflection of conditions that exist in many parts of the world, and in Third World nations in particular, where there are many challenges to the efforts that are being made to establish fundamental human rights and democracy. And thus, the assassination was actually an act of suppressing humanitarian values, truth and justice.

The statement of the Cipayung Group said that the assassination was not only a matter of concern to the people who love and struggle for fundamental rights and democracy in the Philippines, but also to the people of Indonesia and to people throughout the world. The incident is also indicative of the cruelty of a repressive state. The statement said that the Cipayung Group considers the death of Aquino to be "a great loss," but that his death also "arouses the spirit of fighters who are struggling for fundamental rights, democracy, truth and justice."

#### Hope

The statement submitted by the delegation expressed the hope that the Government of the Philippines would investigate the incident thoroughly and with justice, and that it would prevent the occurrence of other acts whose effect is to suppress humanitarian values, truth and justice, for acts such as these increase the people's burden of suffering and despair.

The statement said that the assassination can serve as a lesson for peoples and governments throughout the world in preventing similar events from occurring. The Cipayung Group urges all nations of the world to refrain from habits and practices that are in conflict with humanitarian and democratic values and the principles of justice, and to refrain from acts of violence in removing political adversaries or persons who do not share the opinions of those in power.

But since the opportunity for these habits and practices is great, then efforts to overcome them must be carried out earnestly and with the noble intention and firm determination to establish humanitarian values in public and national life.

The statement said that the Cipayung group extends its deepest condolences to all of the people of the Philippines who love and are struggling for fundamental rights and democracy, and to all members of the Aquino family.

#### Ambassador at Meeting

Lorenzo Medilo promised that he would forward the group's statement to his government. He apologized that Ambassador Manuel T. Yang was unable to receive the delegation, saying that he was attending a meeting of ASEAN members, and he repeated that his government would conduct a full investigation of the assassination.

The delegation was met by a number of security personnel when it arrived at the embassy. The security force had been requested by the ambassador in case it was needed to maintain order. The Cipayung Group telephoned the Philippines embassy on Thursday to announce that it planned to send a delegation there, however the group cancelled this visit "for technical reasons."

The statement of the Cipayung Group was signed by H. Harry Azhar Aziz and Alex Tofani, the general chairman and secretary general of the HMI executive council, by Markus Mali and Paulus Januar, the general chairman and deputy secretary general of the PMKRI, by Daryatmo M. and Ant. Wantoro, the chairman and acting secretary general of the GMNI presidium, by Alex Litaay and Sunggul Siahaan, the chairman and secretary general of the GMKI, and by Muhyiddin Arubusman and Ismail Umri, the general chairman and deputy secretary general of the PMII.

5458

CSO: 4213/565

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of this series to place it under  
LAOS country category.

LAOS

#### EXILED RIGHTISTS SAID TO GAIN STRENGTH

Bangkok MATUPHUM in Thai 25 Aug 83 pp 1, 12

[Article: "Lao Liberationists Increase Strength By 4,000 Men; China and CIA [Operative] Are Providing Much Support"]

[Text] Lao rightists are launching a serious offensive and have established a "Lao Liberation Forces United Front." China is providing full support. A former CIA operative is participating. A big "operation" was launched at the beginning of August. The armed forces have been expanded by the addition of 4,000 men. Lao refugees from all over the world are helping to increase their strength.

A report from a high-level news source said that last July, a former right-wing Lao minister took part in a conference to establish a Vietnamese resistance movement in Laos. The meeting was held in Australia. After that, a resolution was issued to establish a force known as the "Lao Liberation Forces United Front" (LLFUN). These forces will be composed of the many anti-Vietnamese groups in Laos, such as the Khaen Daeng [Red Arm] Group, the Lao Liberation Group, the Phoumi Nosovan Group, the group of General Vang Pao and even the group of General Kong Le, which has received support from China.

The report also said that in establishing this Lao Liberation Forces United Front, much support has been received from China. These forces have been provided with weapons and important war materials, which have been transported along routes in the northern part of Laos near Yunnan Province in China. It is thought that between August and the end of the year, this united front will increase the size of its armed guerrilla forces by 4,000 men. This is in addition to the existing forces of various groups in the united front.

As for providing support on other fronts, the former right-wing Lao minister made a trip to seek help from Lao refugees in Australia, France, Canada and the United States. And support has been received from a former CIA operative who once worked in Laos. That is, Mr William Young is participating in this, too.

The news source said that besides carrying on political activities to form a united front with the Lao forces of Mr Kraison Phromvihan, the objective of these united front forces is to carry on activities in Champasak Province and coordinate activities with the Khmer Seri of Mr Son Sann and the FULRO movement, which is composed of hill tribes in Vietnam that oppose the Vietnamese communists.

As for the combat activities of these united front forces, at present, they are conducting operations all over Laos. And just recently, there was a clash with forces of Mr Kraison Phromvihan in the Sedone area. However, the losses are not yet known.

11943

CSO: 4207/164

RITHAUDDEEN ON CONCEPTS FOR ECONOMIC EXPANSION

BK131049 Kuala Lumpur NEW STRAITS TIMES in English 11 Oct 83 p 2

[Text] Kuala Lumpur, Mon--Malaysia Incorporated and Privatisation are concepts designed to push the country towards an era of rapid economic expansion.

Trade and Industry Minister Tengku Ahmad Rithauddeen told participants of a seminar on Malaysia Incorporated, Privatisation and National Productivity that the effective implementation of the doctrine would benefit everyone in the country.

He said the Malaysia Inc. concept would be a catalyst for the development of commerce and industry of the nation to achieve greater heights.

"It is crucial that the concept is fully understood, willingly accepted and correctly implemented by all the parties involved.

"It calls for a recognition of common interests and the need for working together as a team for mutual benefits.

"The partnership envisaged should cover relations between senior and junior officers, between government departments, between labour and management, between companies and above all, between government departments and the corporate sector."

Tengku Rithauddeen cited Malaysian trade offices overseas as one area where the private sector could apply the Malaysia Inc. concept to promote their export or to use them to procure information.

On the government's part, he said, civil servants are now being sent to the private companies to better understand the private sector and also to establish rapport.

The privatisation plan would mean that the government would refrain from competing with the private sector, in addition to transferring certain activities in the supply of goods and services now monopolised by the government.

"The increasing role of market mechanism and the withdrawal of government competition from economic activities could improve the quality of goods and services at the lowest possible cost.

"To quote an example, lately the government decided to establish Freight Booking Centre to increase the involvement of Malaysians in trading and service in shipping, and to enhance its export," he added.

Tengku Rithauddeen said the government would concentrate on the business of governing whilst the private sector in economic activities.

However, he added, the government could still be involved in specific activities in supplying goods and services for socio-political reasons.

Otherwise the government would remain in the background in the economic field.

CSO: 4200/79

MALAYSIA

MAHATHIR ON CONCEPTS FOR DEVELOPMENT GROWTH

BK121449 Kuala Lumpur NEW STRAITS TIMES in English 11 Oct 83 p 1

[Text] Kuala Lumpur, Mon--The government believes that the Malaysia incorporated and privatisation concepts will keep development rapid and growth high.

The two concepts provide the right combination to propel the country to greater heights of achievements, Datuk Sri Dr Mahathir Mohamad said today.

The prime minister said this "combination would be to the betterment of both the spiritual and material well-being of all Malaysians."

The two concepts "call for a common national corporate philosophy and strategy for action," Datuk Sri Dr Mahathir said at the opening of the Framework for Malaysia Incorporated and Privatisation towards National Productivity seminar at City Hall Here.

He reported the rationale of Malaysia Inc. as the nation gaining "in the way a well-run corporation prospers."

The private sector was the nation's economic arm, promoting production, marketing, sales and optimising returns on investment. The government, or service arm, would provide all the back-up.

"Mutual understanding, cooperation, trust and confidence in each other will become the basic ingredients for success."

"The private sector must understand national policies, objectives and procedures in order to facilitate their dealings with the government."

He said regulations and procedures were means of "ensuring orderliness" and could be modified if unduly obstructive. [as printed]

Datuk Sri Dr Mahathir Mohamad stressed that privatisation would not "negate the objectives of the NEP" and was not to be a Bumiputra [native Malaysian] privilege.

"Non-Bumiputras are equally eligible...the government would favour Bumiputra/non-Bumiputra partnerships," he said.



Privatisation would help ease development expenditure. Failure to provide much needed utilities would hinder growth and privatisation was the only way of providing these at the required rate, he said.

Accountability for these privatised services would still remain with the government. It would also ensure continued employment for existing workers and minimise early disadvantages.

"All must now start thinking in terms of contributing to the well-being of the nation as part of their responsibility and *raison d'etre*."

"Malaysia's future depends on improved productivity and the ability to sell more and more goods to the world," he said.

CSO: 4200/79

## PHILIPPINES

### COLUMNIST ON U.S. CONTACTS WITH OPPOSITION

Cebu City THE VISAYAN HERALD in English 13 Aug 83 p 5

["Guided Missile" column by Danny M. Gonzales: "Opposition Contacts Actually Made"]

[Text] THE OTHER day, I reported here the skepticism of opposition leaders over U.S. policy shift in the Philippines. The point was that the U.S. government was still pro-Marcos regime. And as much as possible, it would prop it up For as long as it is convenient, for as long as it is practicable.

#### Opposition Contacts

HOWEVER, the disturbing part of this picture is the fact that in the recent Shultz visit, it was reported that some senior U.S. officials had contact with the Philippine opposition. At least, some opposition leaders Those favorable to the American people.

#### Confirmed

THE OTHER night, some hours after my column on this matter appeared in this paper, I got to talking to an opposition leader. He expressed amazement at my having got hold of the sensitive information. Anyway, he confirmed that contact with some opposition leaders was actually made by some U.S. officials.

#### Pro-American

SAID OPPOSITION leader is a confirmed pro-American, an attitude he acquired for having shared much of his life with some good Americans, especially during the war years. Although he would not say who were contacted, he was assertive in his claim that contacts were made And he was one of those contacted. But he would not tell who saw him.

#### Intriguing

WHAT'S intriguing about the whole thing is why Americans are now giving importance to the opposition leaders. Have they also seen the handwritings on the wall? Anyway, one American official was quoted as saying that Pres. Marcos is now "in the twilight of his regime." The President and his men would not agree to this. But this is the impression of some Americans.

### Three Factors

THERE ARE three factors that account for this observation One is political. The second is economic. And the third was more specific--security. The question of health on the part of the President was not even mentioned.

### On the Way Out?

IS THE President truly on the way out? Is this the reason why the U.S., ever vigilant over her interests here, is now taking time out of her complacency and seeing to it that a spare tire--or tires for that matter--will be readily available when the time comes? This is a question to ponder And one that will guide both Administration and Opposition people on how mother America will eventually behave.

CSO: 4200/30

EDITORIAL ON AQUINO MURDER'S EFFECT ON U.S. IMAGE

Cebu City THE VISAYAN HERALD in English 5 Sep 83 p 3

[Editorial: "Demand for Clean Elections"]

[Text] America seems not to learn a lesson from history. Its hard-headed policy of propping up dictatorial regimes like Nicaragua only makes the U.S. lose influence in the world community. In the affected country, the influence goes down to contempt and hatred.

Here in the Philippines, the death of Aquino has put the State Department's attitude in the forefront. Reagan's scheduled visit has put America on the spot; the dilemma is whether to go on with the visit or to cancel it. If Reagan goes on, he will be met with derision; and if he cancels his trip, the Marcos regime will likely lose its last vestige of credibility before the Filipino people. For less than 48 hours after Aquino's murder, the administration immediately announced that there is no change in the Reagan intention to visit the Philippines.

The death of Aquino has heightened the pressure, otherwise the long-term aspiration to keep the Filipinos as allies of the U.S. will slowly become an illusion. The Filipinos are not only suspicious of American intentions; the death of Aquino has confirmed the belief that the U.S. is only guided by self-interest first and foremost, regardless of the suffering of the masses and regardless of the disastrous consequences that giving support to authoritarian regimes entail.

The nationalistic Filipino youths who have been shouting anti-imperialist slogans and cries will now be ringing bells in the Filipino minds.

The State Department, however, can prop up its image as champion of democracy if it puts pressure on Marcos to hold clean elections. And this seems to be the only way out for democracy to be restored and America's affection to be felt again. Otherwise, America's hard-headed policy on Nicaragua, Cambodia, Iran and others will repeat itself in the once show-window of democracy in the Far East that the Philippines has been known throughout the world.

CSO: 4200/30

# P50-70 MILLION EXPORTABLE COPRA DESTROYED IN FIRE

Cebu City THE VISAYAN HERALD in English 12 Aug 83 pp 1, 2

[Article by Pilar Del Pilar]

[Text] The effect of the loss of some 15,000 tons of copra in the fire that hit the Ludo & Luym Mills superbodega will be drastic to the exportation of Philippine copra to foreign lands.

This was disclosed yesterday by Prudencio Garcia, Philippine Coconut Authority regional administrator, in an interview with VISAYAN HERALD on the effects of the fire which burned down copra for export.

Garcia stated that it is a logical effect that the fire and destruction of property will mean a shortage in the number of copra which should have been exported by the Ludo & Luym company.

"The effect will be that the amount of copra would be short for exportation," Garcia emphasized.

In the fire which allegedly started at the bodega at 6:05 Wednesday morning, some 15,000 tons of copra went up in smoke with damage estimated at P70 million.

Douglas Ludo, company president earlier said that the copra stored in the bodega at the time of the fire was worth some P70 million. However, the estimate of firemen as of yesterday remained at P50 million.

Garcia revealed that the Ludo & Luym export production performance in 1982 showed the export of 69,000 tons of coconut crude oil, 1,800 tons of coconut acid oil, 3,000 tons of refined coconut oil, and 54,000 tons of copra by by-products.

He added that since 15,000 [tons] of copra were reportedly destroyed by the fire, this would imply a big shortage of supply.

In conclusion, the PCA administrator said they will continue with their intensified campaign for the improvement of copra production. "We will also go on with our campaign to let producers adopt modern procedures in the production of coconut," he said. (PdP)

Meanwhile Cebu fire authorities today said they will start formal investigation on Friday of witnesses who can shed light on the origin of early morning fire that broke out Wednesday inside Ludo Oil Mills compound--the world's biggest shingle unit copra crushing plant--in Cebu City.

The fire was still smoldering until late this afternoon. Police estimated that the fire has already eaten up around 50 million pesos worth of copra inside the mill's superbodega on the north wing of the milling complex. Fire Sgt. Aristotle Abella said.

Abella said the warehouse has been estimated by firemen to cost around two million pesos.

Until this afternoon, he said, firefighters were still trying to put out the blaze. Arson probers have not yet officially determined the cause of the fire.

Douglas Ludo, president of the multi-million peso Ludo and Luym Corporation, owner of the mill, said 15,00 tons of copra worth 70-million pesos with the current price were inside the bodega when the fire broke out past 6 a.m. Wednesday.

CSO: 4200/30

COLUMNIST ON NEED FOR KBL FACE-LIFT

Davao THE MINDANAO DAILY MIRROR in English 27 Aug 83 pp 3, 4

["Point at Issue" column by Bert Tesorero: "Local KBL Needs Face-Lifting"]

[Text] Talking with local newsmen on the reported reconciliation between him and Assemblyman Landring Almendras of Davao Sur during the recently-concluded Municipal Mayors Conference here in Davao City, businessman-millionaire and KBL Vice-Chairman for Regional XI Tony Floirendo admitted having had some sort of a mellow-dramatic reunion with the former senator in Manila. But he trailed off in his comment by asking: "is there a need for reconciliation?"

Truly, is there a need to reconcile KBL Chief Tony Floirendo and Assemblyman Almendras? What for? Was there bad blood between the two local political magnates that there exists a need to bring them on friendly terms again?

Obviously, there is! Otherwise, the two political kingpins would not have made a hilarious scene at the Manila Peninsula Hotel, passionately embracing each other like long lost lovers during a party tendered in honor of the newly-promoted Brig. Gen. Dionisio Tan Gatue Jr. According to my Manila Pen spy, the reunion was followed by a toast and a hearty merrymaking.

But why did Floirendo have to ask if there is need for reconciliation, the fact that everybody in Davao knows of the bad rift between him and Assemblyman Almendras? Did Tony want to imply that there could be no sincere reconciliation as far as the former senator and he is concerned in the Davao politics?

The question is material for the reason that Assemblyman Almendras, in utter defiance to the leadership of KBL chieftain Tony Floirendo, supported the Nacionalista Party in Davao City in the 1980 local elections which brought about the ignominious defeat of the KBL in this locality. Could Tony Floirendo have easily forgiven Assemblyman Almendras for the grievous embarrassment he suffered before the President who was at a quandary how the ruling party lost in the polls in Davao City despite all its political and financial resources?

Everything said during the interview presages an ominous future vent that might yet change the course of the history of the ruling party in Region XI.

Already, KBL Vice Chairman Floirendo was quoted by local newsmen as having doused cold water on the so-called "equity of the incumbent" principle which traditionally grants re-electionist assemblyman priority in seeking new mandate from the people.

So far known, the choice of KBL official candidate in the forthcoming 1984 regional elections for the national legislature will be effected in conformity with the "guideline" issued by Malacanang. And Malacanang has been quite explicit in its previous pronouncements concerning the replacement of "old foggies" in the KBL slate who may be more of a liability than asset to the party. And Assemblyman Almendras including other KBL re-electionists are not exactly that youthful to fit into the Malacanang guideline in the choice of administration candidates.

To be sure, there is need of full retrenchment in the local KBL party judging from the recent turn of events involving the assassination of top Opposition leader Ninoy Aquino whose pathetic memory will forever linger in the minds of the residents. The Opposition, most certainly, will take advantage of this most unfortunate event, not through violence, but through massive and bloodless revolution of the ballots come 1984 election campaign. I agree that the KBL in Region XI and more particularly in Davao should have a thorough face-lifting if the KBL leadership intends to win in the forthcoming regional polls.

CSO: 4200/30



COMMERCIAL BANKS REDUCE EXPORT LOAN RATES

Manila PHILIPPINES DAILY EXPRESS in English 16 Sep 83 p 11

[Text] COMMERCIAL banks yesterday announced they have reduced by one percent, interest on loans for non-traditional exports.

The interest rate cut was announced by the Bankers Association of the Phils. (BAP) in response to the request of exporter groups.

The move is expected to spur production of non-traditional exports, and boost dollar earnings in line with the effort to reduce the deficit in the balance of payments (BOP) this year to about \$600 million.

According to the BAP, It has also recommended to the Central Bank several measures intended to increase long-term loans, expand the funding base of financial institutions and lower the cost of money.

ONE of the proposed measures is the issuance of capital notes to provide industry with long-term capital. It would also provide banks with incentives to provide long-term funds with equity features.

The banks want fixed dividends on preferred shares to be treated as tax deductible expenses. This would help develop the long-term capital market, as well as, provide lower cost funds to business enterprises, the BAP said.

Another proposal to the CB sought an increase in the yield on eligible government securities held as reserves by the banking system. This would cut the cost of handling bank funds, and ultimately, lower interest on loans, the BAP said.

Likewise, the BAP recommended that export credits be deducted from loanable funds for purposes of compliance with the agrarian reform ceiling requirements.

THE BAP said, it would encourage the channeling of more funds for exports and, reduce the cost of loans.

In another resolution passed during the recent BAP symposium on interest rates, the CB was urged to reduce reserve requirements so that more funds can be made available as loans at lower cost.

Other specific measures proposed to the CB included revising of the administrative procedures on write-offs, restudy of the tax treatment in the provisions for bad debts, acceleration in the implementation of the credit rating system and the relaxation of the 20-percent bank guarantee requirement on commercial paper issues.

CSO: 4200/31

GOVERNMENT DEPOSIT IN PRIVATE BANKS BARRED

Manila PHILIPPINES DAILY EXPRESS in English 15 Sep 83 p 10

[Article by George T. Nervez]

[Text] GOVERNMENT agencies were directed yesterday to withdraw within one year funds invested or deposited with private banks and other financial institutions.

The move was intended to prevent irregularities in the use of idle government funds, as in the case of public funds invested in the Philippine Underwriters Finance Corp. (Philfinance).

The order was contained in a Central Bank circular implementing LOI No. 1302 (signed March 25, 1983)

The LOI inhibited banks from receiving or holding fund or money from the national government and its agencies either as trustee, agent, administrator, financial manager or any other similar capacity

THE CB said all existing placements of government funds held by banks should be terminated within one year.

It means that government agencies can deposit or invest their idle funds only with state-owned banks, like Philippine National Bank, Development Bank of the Phils., Land Bank and others.

Covered by the instructions are national government branches, agencies, subdivisions, instrumentalities as well as government-owned or controlled corporations.

The CB circular also said that no private bank or non-bank financial intermediary, whether or not performing quasi-banking functions can borrow any fund or money from the national government and its entities through the issuance or sale of its notes or other debt securities.

ACCORDING to the CB, excess public funds can only be placed in regular deposits with government banks or invested in government securities.

It added that private banks may still be authorized to accept government deposits under certain conditions.

However, the private bank wishing to accept government deposits should file an application with the CB stating, among others, the government office, its location, the type of deposits to be accepted and the amount to be deposited.

The CB governor will fix the terms and conditions for the acceptance of government deposits.

CSO: 4200/31

BANK SUBSIDIARY RECEIVES P400 MILLION

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 83 p 10

[Article by George T. Nervez]

[Text] THE Central Bank will pump in a total of P400 million in fresh capital and loans to the Associated Bank, which the Development Bank of the Philippines (DBP) has decided to keep as a subsidiary.

Jesus Estanislao, Associated Bank president, said P200 million worth of additional capital will be infused by the CB through the DBP.

Another P200 million will be lent by the CB to sustain Associated Bank's operations, he added.

The additional capital infusion will make the DBP almost sole owner of Associated, a private commercial bank formerly controlled by Chinese-Filipino businessman Leonardo Ty.

Estanislao says Ty's holdings in Associated will be wiped out entirely if the CB's valuation procedures are followed strictly.

But negotiations are still going on, and Ty may be left eventually with a small minority holding, he said.

AT PRESENT, the DBP has about P140 million of Associated Bank's stockholders' equity amounting to P242 million (based on a recent banking survey). The bank's total capital accounts as of June 30, 1983 amounted to P252 million.

In addition, the CB has deposited a total of P200 million in Associated, which may eventually be converted into equity.

It means that the DBP will have a total exposure of about P540 million in Associated if additional capital are pumped into Associated, and the CB advances are converted into equity.

In effect, Associated will be in a position to become a universal bank if all the CB funds coursed through the DBP are converted into equity.

THE DBO infused capital into Associated sometime in the 1970s to help in the bank's capital buildup program.

But the DBP was forced to pump in more funds to protect its original investments when Associated was adversely hit following the financial crisis in 1981.

Initially, the DBP looked for investors to buy out its exposure in Associated. In fact, a private group, led by the Philippine American Investments Corp. (PACI) was in the final stages of acquiring the bank.

However, the CB last week decided that the DBP should, instead, retain Associated as its commercial bank subsidiary.

CB Gov. Jaime C. Laya said the move was in lieu of a previous proposal to convert the DBP into a "superbank" with both unibanking and guarantee bank functions.

CSO: 4200/31

FOREIGN EXEMPTION FROM INVESTMENT REQUIREMENT SOUGHT

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 83 p 10

[Article by Ray Magallanes]

[Text] THE Securities and Exchange Commission (SEC) has sought an amendment to a provision of the Corporation Code that will exempt some foreign companies doing business in the country from the P100,000 investment requirement.

Under section 126 of the Code, existing foreign corporations must invest in securities and bonds acceptable to the SEC worth at least P100,000. In addition, they are to set aside two percent of their gross income exceeding P5 million for similar investments.

The deposit requirement is intended to assure creditors of a ready source of funds in the event the foreign firms affected decide to withdraw their business interests here.

Foreign firms engaged in various business sectors, particularly air carriers, service contractors, and those operating in export processing zones, promptly opposed the investment requirement and asked for exemptions for various reasons.

IN A letter to Prime Minister Cesar E A. Virata, SEC chairman Manuel Abello said foreign companies may be exempted from the deposit requirement if these corporations

--Have sufficient assets in the Philippines to cover the claims of creditors once they decide to pull out of the country.

--Are engaged in business or economic activity which is certified by the National Economic and Development Authority (NEDA) to be preferred areas of investments.

Abello pointed out that operation of foreign air carriers are already being regulated by the Civil Aeronautics Board (CAB). Moreover, there is already a CAB assurance of their compliance of their obligations to the public, Abello said.

Foreign air carriers believed the investment requirement violates the bilateral air agreement between their governments and that of the Philippines. Abello said no similar imposition has ever been made on the country's flag carrier, Philippine Airlines (PAL).

FOREIGN corporations inside the Export Processing Zone Authority (EPZA) have also requested for exemption

Abello said EPZA has complete control over their properties as EPZA has a "prior lien over the said properties and the company cannot dispose, mortgage or other encumber the same without prior consent and clearance of the said agency."

Abello also said that service contractors engaged in oil exploration, are "expressly" exempted from the deposit requirement as provided for by PD 1857.

The decree, according to the SEC, gives service contractors several incentives in line with the government's oil and other energy exploration projects.

Since it is the policy of the government to attract foreign investors into the country, Abello stressed that some foreign corporations should be exempted from the investment requirement.

CSO: 4200/31



PHILIPPINES

MRS MARCOS' RETIREMENT TO HELP POLITICAL CLIMATE

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 83 p 4

[From the "Over a Cup of Coffee" column by Teodoro F. Valencia]

[Excerpt] My reading of the First Lady's wish to quit the Batasang Pambansa and her other government positions next year is that she means it. Of course, the KBL leaders would not want that--for their own sake. Friends of Mrs. Marcos, however, are cheering her on--to quit as she has announced. KBL candidates in Metro Manila should stand up on their own feet.

For KBL hopefuls in Metro Manila, the decision of Mrs. Marcos is a very serious blow to their confidence. On the other hand, it will bring about a healthy political climate in the capital region. Opposition candidates will have a better chance to veer their campaign towards the positive with great hopes of winning.

If Mrs. Marcos leaves the government, the opposition line that she is in the lineup to succeed the President will fall apart. It will also make the Executive Committee more credible as a possible successor to the President in the event of his death or incapacitation. The KBL's national campaign will be improved if Mrs. Marcos manages to divide her time among so many regions needing her moral and active support.

CSO: 4200/31

CLOTHING EXPORTS TO INCREASE BY 400 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 83 p 9

[Text] THE Philippine Integrated Exporters, Inc. (PIE) is escalating its processing capacity to 400 percent or 300,000 yards of clothing per 24 hours to take advantage of rapidly growing demands for its garment products abroad.

This was disclosed yesterday by Mrs. Noemi L. Saludo, president of PIE, which is inaugurating on Saturday the country's biggest bonded warehouse for locally manufactured garment for export, at the corner of EDSA and Madison street in Mandaluyong, Metro Manila.

She said PIE expects to increase its export sales from only \$12 million last year to \$30 million this year, brought about by increased demands for her company's products from non-quota countries in the Middle East, South Africa, Africa, and others.

WITH the assistance of the Land Bank of the Philippines (LBP), Mrs. Saludo said PIE has launched a project to make farm families in Balucan, Pampanga, and Batangas, produce garments of export.

Project participants are boosting their farm incomes by producing a minimum of 600 dozens of export quality garments daily, Mrs. Saludo said.

She added that the project is being pursued under PIE's program of "Boosting Rural Industries and Developing Garments for Export" (BRIDGE).

The program, Mrs. Saludo explained, assists participating families in acquiring garment-making machines, working capital, low-priced high quality raw materials, technical expertise in garment manufacture, and in the marketing of their products.

Mrs. Saludo added that PIE's new warehouse "increased our storage capacity from 800,000 to 2.5 million yards from which we can now easily double our production and also our exports will reach up to \$30 million this year."

CSO: 4200/31

COCONUT PRODUCTION MAY EXCEED ESTIMATE

Manila PHILIPPINES DAILY EXPRESS in English 16 Sep 83 p 11

[Article by Ros Manlangit]

[Text] THE country's total coconut production (in copra terms) this year may actually reach 1.9 million metric tons (MT) or some 200,000 MT more than the government estimate made shortly before the drought ended last July.

This would still be lower, however, from last year's crop of 2.1 million MT.

Certain industry quarters, disputing the earlier estimates made by the Philippine Coconut Authority, (PCA), yesterday said that the agency may have "over-estimated" the damage caused by the drought.

The PCA had projected a year-end output of only 1.7 million MT and subsequently announced a series of emergency moves to stabilize local supply of coconut products and meet demands from the international market.

The agency justified its actions on assumptions of a 20-percent decline in coconut production.

INDUSTRY sources said, however, that present levels of copra production and trading in the rural areas, coupled with the industry monitored export volumes of coconut products, suggested that the PCA production estimate was quite low.

Citing industry figures, the sources said that as of last month, coconut exports have reached about 1.1 million metric tons or a mere 200,000 MT short of the export projection for the year announced by the PCA.

Based on the present volume of exports, which averages 140,000 MT a month, the sources said that the country could exhaust by October all its exportable coconut stocks if the PCA figures were used as the projection basis.

They added that domestic coconut production and sales so far have remained normal contrary to fears spawned by the PCA announcements.

THE same sources said that their actual 1.9-million production estimate this year can easily be reached because farmers and coconut producers have

maximized their harvest to take advantage of the prevailing high copra prices which average P3 to P3.50 per kilo in the traditional coconut areas.

They added that remote farms heretofore supplying only domestic consumption are being penetrated by copra buyers and middlemen.

The PCA, meanwhile, has stood firm on its previous production estimates.

Officials said that the high 20-percent damage caused by the drought has been verified by PCA field offices and reconfirmed by a "foot survey" conducted by the agency in the drought damaged areas, particularly in the Visayas and Mindanao.

CSO: 4200/31

## BRIEFS

RICE EXPORTS TO BRAZIL, INDONESIA--The Philippines will export rice to Brazil, the National Food Authority (NFA) said yesterday. The country will also increase its rice exports to Indonesia. Food Minister Jesus Tanchanco said that the rice exportation will realize for the country some \$10 million. Under an agreement firmed up recently, 10,000 metric tons of rice will be shipped to Brazil this month at \$245 per ton, he said. He said 35,000 metric tons of rice will also be shipped to Indonesia as a part of an export agreement firmed up last year. Tanchanco said that under the agreement, rice export to Indonesia will be shipped anytime this year. The initial export was shipped earlier to that country, he added. He explained that rice exportation will minimize the rice glut in the domestic market aside from generating additional foreign exchange. He said that despite the recent drought, the country's rice supply situation still allows for exportation. He explained that the supply situation will be further improved by the coming harvest season which will start late this month. At present, Tanchanco said that to stabilize the supply, the NFA unloads rice stocks in various areas whenever it is necessary. He added that private rice millers and traders, primarily those covered by the government quedan financing program, are also asked to unload their stocks. [Fred Lobo] [Manila BULLETIN TODAY in English 16 Sep 83 p 40]

LOAN TO MMIC--A bank syndicate led by Citibank is arranging a new ₱1 billion long-term credit for ailing Marinduque Mining and Industrial Corp. (MMIC) to refinance existing loans and make operations more viable, banking sources disclosed yesterday. At least eight banks, mostly local, have been rounded up to participate in the syndication although the number of fund providers could still grow. Most members of the syndicate already have existing loans to MMIC. Sources said that the new financing package which is denominated in the local currency, would rid MMIC of added costs arising from fluctuations of the peso vis-a-vis the US dollar. The new credit with a maturity of eight years, according to sources, would complement a plan by the Development Bank of the Philippines (DBP) to convert its loans into equity in the form of common stock or "quasi-equity" in the form of income bonds. DBP is MMIC's biggest creditor. Under the quasi-equity plan, DBP will start receiving loan payments only when MMIC turns around to post net profits. The Citibank-led syndicate is rushing the financial package in the wake of a disastrous first semester performance for the mining firm. Reports have indicated that MMIC lost more than ₱1.2 billion during the first half of the year, eclipsing a 1982 loss of ₱1.9 billion. The first semester performance was aggravated by foreign currency

losses due to the declining value of the peso that eventually led to an official devaluation in June. MMIC's continued viability depended [Excerpt]  
[Manila BULLETIN TODAY in English 16 Sep 83 p 23]

BARANGAYS TO RECEIVE FREE CEMENT--AN AGREEMENT was signed yesterday to supply 100 bags of cement to each of the country's 41,554 barangays. The agreement, signed at ceremonies held in Malacanang, is designed to foster self-help and self-reliance. The cement will be used for the construction of grain-drying surfaces, recreational facilities and other multi-purpose pavements in barangays. The agreement was signed by Minister Roberto Ongpin of Trade and Industry, representing the Philippine Cement Authority, Local Government Minister Jose D. Rono, and Nora Petines, president of the Pambansang Katipunan ng Mga Barangay. THE TOTAL COST of cement to be released to the barangays will be offset against the indebtedness of the cement industry to government financing institutions, particularly the Development Bank of the Philippines. According to Petines, the cement will cost P120.6 million at the factory price of P29 per bag. Also present during the signing were members of the cabinet led by Prime Minister Cesar Virata and the presidents of the Association of Barangay Councils of the 12 regions. Minister Rono said that the establishment of this linkage had been ordered by President Marcos in response to the clamor of the barangays for the launching of activities where they can practice self-reliance and self-help. Under the arrangement, only cement will be furnished by the government, with the barangays contributing the sand, gravel and stones and other materials as well as labor. [Manila PHILIPPINES DAILY EXPRESS in English 15 Sep 83 pp 1, 7]

CSO: 4200/31

THAILAND

REACTION TO AQUINO ASSASSINATION REPORTED

Aquino , Nguyen Van Troi Praised

Bangkok MATICHON SUT SAPPADA in Thai 27 Aug-3 Sep 83 p 3

[MATICHON Essay column: "Silencing 'Aquino,' the Collapse of 'Marcos'"]

[Text] In the period of history known as the "Middle Ages," in Europe the Christian priests wielded great power. Those who held beliefs different from those held by the priests were either punished or charged with being a wizard or witch. And the traditional sentence for this was death at the stake.

Such executions were carried out because it was believed that such violence would suppress and put an end to heretical views. It was thought that the stake and the death of these people would put an end to such views. But this failed.

During the Vietnam War, Robert McNamara, the U.S. secretary of defense, once made a trip to Saigon. Nguyen Van Troi tried to assassinate him, but he was arrested by South Vietnamese officials and sentenced to be executed in the middle of the city. Nguyen Van Troi went to his death unafraid.

After the executioners fired their weapons, the life of this young man ebbed away. But his great bravery and patriotism remained in the hearts of the Vietnamese and fair-minded people all over the world.

There are many such examples in the history of the world and in Thai history that have occurred again and again.

During the time that the Thai Trading Company Ltd., under the control of Mr Ari Liwira, was thriving, Police General Phao Siyanon, the politician of Ratchakhru Lane, tried to use his financial power to control the publications of this company.

When Mr Ari Liwira declined politely, Phao had his underlings assassinate Mr Ari Liwira.

A bullet can end the life of a reporter but it definitely cannot extinguish the ideals of that reporter who took great pride in his honorable profession.

The assassination of political opponents is a weapon that dictators often brandish quite boldly. This is a very fearsome weapon. But when it is used by people drunk with power whose intention is to suppress others out of rage, this weapon will one day be the death of the person who uses it.

There are many people, especially politicians, who say that they believe in religious teachings, especially those of Buddhism. But very few people actually try to follow the teachings.

When the bandit Ong Khuliman tried to stab him, the Buddha remained calm in the face of this and used the teachings, which are greater and more powerful, to persuade Ong Khuliman to lay down his knife and bow down at his feet quietly. This was a great victory; it was a real victory.

The most powerful way to kill is not through the use of swords and bombs. Rather it is by using better and superior ideas as the weapon.

What a pity it is that Marcos and his followers, who are dictators, felt that by killing Aquino they could eliminate the political threat to themselves.

But inside Aquino was the idea and spirit of democracy. Aquino's uncompromising struggle was actually a sign of this democracy, which is directly opposed to the evil of dictatorship.

Marcos and his followers have killed Aquino. But they certainly cannot destroy democratic ideals. Just the opposite has happened. This violent act has completely exposed the true dictatorial nature of Marcos. The terrible violence at the Manila airport will greatly reduce the choices still available to the democratic forces to the point where it will be necessary to join forces in order to halt the spread of this disease, that is, dictatorship.

Condemnations of the Marcos dictatorship are coming from all directions. Marcos' days of power, which are drenched in blood, are fast coming to an end.

#### Editorial Questions Marcos Denial

Bangkok MATICHON in Thai 23 Aug 83 p 4

[Editorial: "The World Condemns Marcos"]

[Text] The world was shaken once again when a ruthless person shot and killed Benigno Aquino at the international airport in Manila, the capital of the Philippines. Mr Aquino was important because he was an important



political opponent of President Ferdinand E. Marcos. Furthermore, Benigno Aquino was important as a symbol of democracy while Marcos is a symbol of dictatorship.

After this terrible event, President Marcos denied having played any part in ordering the gunman to slip past the soldiers and shoot Mr Aquino. President Marcos said that he, along with everyone else in the country, condemns the Aquino assassination. And he revealed that he had warned Mr Aquino several times not to return but that Mr Aquino did not listen to him.

The excuse and revelation by President Marcos has by no means put an end to the doubts people have about his innocence. This is because there are at least two witnesses who resolutely maintain that the person who shot Aquino was none other than one of the uniformed Filipino soldiers who had come to escort Mr Aquino off the aircraft.

However, even though Filipino officials are making excuses and saying that the assassin was a civilian who managed to sneak in and shoot Mr Aquino and that this civilian was then shot and killed by the soldiers, this excuse does not in any way absolve the Marcos government. Rather, it is a public disgrace for the Marcos government since Marcos' security troops were so inefficient.

There is very little chance that the world will accept the excuse offered by Marcos. This is all the more true when we study the other actions of Mr Ferdinand Marcos. He seized power with the imposition of martial law in 1972, claiming that people were planning to assassinate him. There was also the kidnapping of Mr Tommy Manotok, Marcos' son-in-law, 2 years ago. He was detained for 30 days. It was claimed that communist terrorists had kidnapped and then released him and that soldiers had provided help.

These actions will make the world suspicious of Mr Marcos and lead it to believe that he was probably involved in ordering the assassination of Mr Aquino. Thus, the Marcos government must allow people from outside the country to come observe things and monitor the investigation of Aquino's assassination. Otherwise, the world will have to brand Marcos as a ruthless dictator.

#### Impact on U.S. Policy Discussed

Bangkok MATUPHUM In Thai 29 Aug 83 p 9

[Pen Tip column: "U.S. Policy and the Aquino Assassination"]

[Excerpts] The assassination of Senator Benigno Aquino at the Manila airport last week has had several effects on the Reagan government in the United States. It is generally accepted that one of the reasons that the dictatorial Marcos government has been able to remain in power is because all U.S. administrations have constantly given him full support.

The Aquino assassination has generated unprecedented discussion about U.S. foreign policy toward the Philippines. This is because Aquino was an idealistic fighter for democracy who had never used force. The thing that he fought for all his life was parliamentary democracy, which was destroyed by the Marcos regime. But even though the Filipino government has denied any involvement in the Aquino assassination, the surrounding situation, particularly the fact that Aquino was assassinated while under the protection of soldiers, makes it difficult to believe that the government was not involved. Thus, the reaction has been one of dissatisfaction with this government.

During the time of the Reagan administration, President Reagan has attached little importance to the human rights problem. And the more violently the Marcos government has opposed the communists, the more the Reagan government has tacitly accepted all the actions taken by the Marcos government. Actually, in other areas of the world, there are many other dictatorships that are violating people's human rights and that, as close friends of the United States, are trying to play the role of "fighters for democracy." This includes Guatemala, El Salvadore, South Korea, Zaire, the Sudan, Chile, Argentinian and Brazil. These are all well-known dictatorships, but they all have relations with the United States and they all receive much aid from the U.S. government. Such behavior has resulted in criticisms being leveled against the United States to the effect that "democracy and human rights are just beautiful words spoken by the United States," but actually, the "United States just supports dictators who violate people's human rights." The only thing is that these dictatorial governments must have stability and they must preserve the interests of the United States. The Marcos government has all these qualifications.

And the U.S. government has not simply ignored or distanced itself from the human rights violations committed by Marcos. U.S. Vice President George Bush has praised Marcos as a "person who has devoted his life to democracy."

However, in high-level circles, there is the fear that the Marcos regime will bring about a violent revolution just as happened in Iran with the overthrow of the Shah or in Nicaragua with the overthrow of Somoza. This would have a great effect on the United States. But no U.S. president has "dared" speak the truth about the Marcos regime, which might jeopardize the position of the U.S. military bases in that country. It seems that if a revolution breaks out, the United States is ready to provide help to prop up the regime just as it is doing in El Salvador right now.

However, the Aquino assassination has created a new "risk," that is, the risk of continuing to openly support the Filipino government. This is because [Reagan] will have to confront the dissatisfaction of the U.S. Congress and the American people, who support democracy, who are dissatisfied with the Marcos regime and who will thus oppose this policy more and more. It may reach the point where the U.S. administration will have to make a decision.

## Comparison With Thai Political Assassinations

Bangkok MATUPHUM in Thai 26 Aug 83 p 4

[Editorial: "Don't Ignore the Facts"]

[Text] In an interesting statement, Mr Uthai Phimchaichon, the speaker of the House of Representatives, said that the death of Mr Aquino was not an ordinary death but was the death of a fighter for human rights and democracy. Thus, the Thai people and the Thai government should not ignore these events that have taken place in the Philippines. Rather, they must remember and study these things so that this does not happen in Thailand.

Mr Uthai compared this political assassination to events in Thailand. He said that while the situation in Thailand has improved, it is still difficult to rest content since such political assassinations are not committed by politicians but by powerful people in the country whose duty it is to maintain safety for the people. Whenever opposition politicians are threatened, targeted and hunted down, the people will no longer be able to have any confidence in the security situation in the country.

In the past, there were many political assassinations in Thailand. Few of them occurred because of personal problems between politicians. Most occurred because of the intellectual blindness of the government, which was harsh in administering the country. People were thrown into jail just because of ideological conflicts with the government. Farm leaders, labor leaders, former political leaders and students were killed. This happened because of the ruthlessness of administrators who had weaknesses. Even though political assassination is the method used by dictators, this method is also used by powerful people and people who are trying to gain power. They frequently use this as a tool to eliminate their political enemies.

The image that has now arisen in the minds of our ASEAN neighbors is that the rights and freedoms of people whose views differ from those of President Ferdinand Marcos will not receive any protection. And if we ignore these violations of the Filipino people's human rights, it will be tantamount to our willingly associating with neighbors who have a ruthless government. And since they have been dirtied with the blood of fighters for democracy, how else can the world view us but to see us as an ally of a killer?

Looking at the attitude expressed by General Prem Tinsulanon, Air Chief Marshal Sitthi Sawetsila and General Sitthi Chirarot, one common element can be seen. That is, they have maintained a political politeness concerning the events in the Philippines. At the same time, Mr Uthai Phimchaichon and Mr Phichai Rattakun, two politicians who have constantly fought for democracy, have expressed great sadness over the Aquino assassination, as if they were close friends who share the same fate.

And it is true that people in different positions view the same event in different ways. One view is the view of the administrators and powerful people, who view the death of an opposition politician as a common event. The other view is the view of politicians who have been through a great deal and who have been imprisoned by dictatorial administrators.

Such things have happened time and time again in many places. It has reached the point where a truism concerning the views of the two sides is that one side is against democracy while the other is for democracy.

#### Assembly Head Criticizes Prem

Bangkok MATUPHUM in Thai 25 Aug 83 pp 1, 11

[Article: "Seize Embassy to Establish Center. Police Director-General Orders Strong Protection"]

[Excerpts] Students express grief over political professor and send lectures to Marcos. Uthai criticizes the "silent Prem" and says that the government must take this as a lesson.

Uthai has criticized Prem concerning the Aquino assassination and said that everyone must take an interest in this. It is not necessary to interfere in their internal affairs. Human rights organizations and students from five institutions have gathered at the embassy and sent an open letter to Marcos. The director-general of the Police Department has established a special unit to guard the Filipino diplomatic community.

Around 1100 hours on 24 August, representatives from the People's Rights and Freedoms Association, the Justice and Peace Council of Thailand, the Religious Affairs Coordination Group for Society and the Asian and Pacific Hot Line Group gathered in front of the Filipino embassy on Sukhumvit road.

A reporter reported that during the entire time, police officials from the Thong Lo Station were on guard in front of the embassy to maintain order. Police Colonel Kamon Sirithon, the superintendent of Precinct 12, went to help maintain order.

Later on, Police Lieutenant Colonel Yutthaphon Rairatsami, the deputy superintendent 4, Special Branch Division, told reporters that the director-general of the Police Department had ordered that a special center be established to maintain the safety of the Filipino embassy. This went into effect at 1200 hours on 23 August. Thirty police officials from Section 2, Division 4, Special Branch Division, were used. This center was formed within the embassy in order to provide protection for the ambassador and the other diplomatic officials until the situation calms down.

Besides this, on the same day, the women's Democratic Society Group of Thailand issued a statement expressing sadness at what had happened and condemning the Marcos government for allowing Mr Aquino to be assassinated while under the protection of government officials.

At Thammasat University, there was a debate at the Faculty of Political Science around 1630 hours that day. Besides this, instructors from the Faculty of Political Science at Thammasat University signed an open letter to President Marcos. The letter said that the death of Mr Aquino is a reflection of the political situation in the Philippines and that it should be clear that a system of total power like that of Marcos cannot possibly destroy the opposition.

All of this shows that Marcos and his government [words illegible]. And without a doubt, the Marcos government will have to take responsibility for this barbaric killing. As instructors who teach political science, they feel that a political [regime] that oppresses the opposition, tramples on people's freedoms and uses violence to threaten or kill people lacks a sense of justice.

The Filipino people should, and have the right to, free themselves from such a despotic regime.

That same day, Mr Uthai Phimchaichon, the speaker of the House of Representatives, told reporters that the assassination of Aquino has killed a politician who loved his country and its people. He said that Mr Aquino was a citizen of the world and that the Filipino government should issue a clear statement about this matter.

The speaker of the House also criticized the view of General Prem Tinsulanon, the prime minister, who feels that this is an internal affair of the Philippines and that we should not get involved. He said that this is not right since this is a matter that everyone should be interested in. If the people of the world do not take an interest in such matters, this will happen again and again.

Mr Uthai also said that taking an interest in this does not mean that it is necessary to interfere in their internal affairs. But an interest must be shown in the politician who was killed. This happened while he was being guarded by officials. Regardless of whether or not the government was involved, the facts must be made known.

The speaker of the House also discussed the safety of politicians in Thailand. He said that at present, things are better than before, but he cannot say whether things will stay this way. It's a matter for those responsible for maintaining [people's] safety since the people of the world are watching. Regardless of what country such an event occurs in, it destroys the country's reputation. The people of the world will look down on and condemn [that country]. As for safety, this is more the responsibility of the government than the politicians.

Mr Uthai repeated that the Aquino matter should serve as a lesson to state officials and teach them to take greater precautions in maintaining safety in order to avoid damaging the reputation of all the people in the country.

#### Editorial Rejects 'Non-Intervention'

Bangkok MATUPHUM in Thai 23 Aug 83 p 4

[Editorial: "Aquino, the Victim of a Dictator"]

[Text] The death of Mr Benigno Aquino, the leader of the opposition in the Philippines, has shocked justice-loving people throughout the world. Because throughout his 50 years of life, he dedicated himself to struggling peacefully in order to transform his country from the family system of President Ferdinand Marcos to a democratic system in which the people will play a part in determining their own fate.

As for President Ferdinand Marcos, the man who has used power throughout the 17 years that he has been in power, not only did he block the peaceful political struggle waged by Aquino but he also did several other things that clearly show that he was behind the death of Mr Aquino. Aquino was killed at a moment when the president's security unit could not determine exactly what happened. In addition, the killer was shot repeatedly as if they wanted to get rid of an important witness.

This peaceful struggle by an important ASEAN and world politician teaches us that there is only pain and loss if a person decides to struggle against a ruthless, stubborn and oppressive dictator. But his ideas and feelings will be praised and will become an example for other politicians.

As for Aquino's deeply-moving words "I am returning with the firm intention of struggling peacefully to restore the people's rights and freedoms and I am prepared for the worst that can happen and have decided to go ahead even if opposed," even though he could not deliver these final words of his to the thousands of people who had come to the airport to greet him, these words will live on in the hearts of those Filipino people who love justice and in the hearts of democrats throughout the world.

An example for our country is that if a peaceful struggle movement of the people is blocked and opposed by national leaders who are stern in administering the country, this will be an important factor in creating heroes and in creating the factors for a civil war. This will lead to protests and persistent opposition by the people against the government. And if the government is strict, violence stemming from the decision to suppress the people will follow, which will not be good for democracy.

As a neighboring country of the Philippines in ASEAN, even though we do not favor transforming the Philippines so that it has a Marcos-type system, we do not agree with the recommendation that we should not get involved in the internal political affairs of the Philippines. We must learn from the Philippines since the victims of dictatorship are everywhere. We certainly do not want such a thing to happen in our country.

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POLL SHOWS FEW TRUST CPT RETURNEES

Bangkok MATICHON in Thai 23 Jul 83 p 2

[Article: "Survey Results Revealed; 90 Percent of People Don't Trust the Group Returning from the Jungles"]

[Text] "Somchai Rakwichit" recommends four trends for social change in Thailand. He claims surveys show that only 10 percent of Thais trust the people coming out of the jungles.

Yesterday, 21 July, at the Sheraton Hotel, Mr Somchai Rakwichit, former head of the research division of Internal Security Operations Command, said of the present situation that surveys on the feelings of people and scholars concerning the individuals coming out of the jungles show that only 10 percent believe that these individuals are returning to live peaceful lives. The other 90 percent do not trust the attitudes of the individuals coming out of the jungles, saying that they are changing their fighting strategy and waiting for an opportunity to rise up once again.

Mr Somchai said that this is frightening because people in the government and military themselves have incited these feelings in the people, creating suspicions that they will be able to start a revolution to seize power by force. Then, when the time comes, the middle class and capitalists will have to unite in a Thai-style democratic revolution before they give the opportunity to those with military power.

Mr Somchai said that four trends toward change in Thai society that should be implemented are: 1. We must change the idea that Thais are lacking in discipline or are not smart, because it is untrue. 2. We must unite individuals with political ideas on social change. 3. Form a united front between the military group who have nationalist democratic political ideas, the capitalists who want to benefit the nation, labor groups, and people at all levels, and use its political energy to make that powerful group looking to seize the opportunity afraid to do anything. 4. Engage in activities that are of common benefit and use them as a condition to get the people to join in and approve as well.

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ANTIPIRACY PROGRAM REVIEWED ; RTG DEFENDED

Bangkok MATICHON in Thai 17 Jul 83 p 3

[Article: "Piracy: Thorn in the Neck of the Royal Navy"]

[Text] On the morning of this past 12 July there was a ceremony for the joint project to prevent and suppress piracy at command headquarters of the Unit to Prevent and Suppress Piracy at the Songkhla naval station, Songkhla province, with Mr Jacques Telaeng, representative in Thailand of the UN High Commissioner on Refugees [UNHCR] Samakhon Saiwong, chief of naval operations, as the Thai representative.

This joint project to prevent and suppress pirates is just like a reminder that the problem of piracy in the Gulf of Thailand has not yet been solved. Thailand will have to take further responsibility.

"Piracy": A Very Old Problem

When the problem of pirates is mentioned, many people picture people with one eye covered with a black leather patch, with a steel hook on one arm, with an earring in one ear, wearing striped shirts, with swords for weapons and fast boats for transportation. This is because legends have been told for a long time about pirates who attack boats in various territorial waters of the world, beginning in the period of the height of Greek power when trade began with coastal states all around. When the world developed prosperity in place of backwardness in various aspects and coastal regions that had lacked boats became full of seagoing ships and trade ships of various nations, tales of pirates almost disappeared. Only once in while would they be brought up.

There is no clear evidence concerning how long the problem of pirates in the Gulf of Thailand has existed, but suppression by the navy began in 1958 by international agreement stipulated in the Geneva treaty of 1958. At that time there was not much pirate activity in the Gulf of Thailand. The greatest number of incidents concerned Thai fishing boats that were plundered or seized in the territorial waters of Vietnam and Kampuchea.

But after North Vietnam completely took over South Vietnam on 30 April 1975 and united South Vietnam and North Vietnam under a common system of government, the problem of piracy in the Gulf of Thailand has become more frequent. This was because the new Vietnam had a policy of getting citizens who did not like communism and Vietnamese citizens of Chinese descent, whom they considered undesirable, out of the country by various kinds of political pressure. When those Vietnamese citizens left the country on boats, the wealthy Chinese took wealth and treasures with them, more or less according to their circumstances. Then there were often reports of their being robbed and of various kinds of cruelties by pirates, whose nationality was not evident, in the area at the tip of Ca Mau Peninsula or the Vietnamese cape along the coastal frontier of Vietnam in the Gulf of Thailand, and in the same vicinity that the Thai fishing boats have been plundered and seized.

#### Cruel Actions of Pirates in the Gulf of Thailand

We have said that the problem of pirates in the Gulf of Thailand became more widespread after North Vietnam and South Vietnam were united into one country. Not only did the problem not decrease, it increased in the period 1979-80. This was after Vietnam invaded Kampuchea. Many Kampuchians left by boat, taking their wealth with them. Quite a few were robbed of their wealth by pirates. And after China went to war to teach Vietnam a lesson the Vietnamese Government put pressure on Vietnamese of Chinese descent to leave the country. A number of the refugees from Vietnam were also robbed.

Reports that came out at the time mentioned various activities of the pirates, of unnamed nationality, removing the valuables the refugees took with them like gold, cash, chains and rings, watches, diamonds; rapes of women on the boats; killings and other cruelties as well as plundering and seizing Thai fishing boats.

An official of the UNHCR in Thailand said that of 100 refugee boats 80 were plundered, and of these 20 had women who were raped.

The same UNHCR official went on to say that at present even if the pirate problem decreases in quantity, if only 60 or 70 boats of refugees are plundered in the next period, in the area of violence the problem has not been reduced. For example, in early May of this year 2 refugee boats were robbed and the pirates cruelly killed 42 refugees on the boat. The corpses of these refugees found on the shore of Surat Thani and Pattani Provinces showed marks of being stabbed with knives or hit with axes and their heads crushed with hammers.

#### A Problem That Has Not Been Solved

In the prevention and suppression of pirates in the initial period after the international agreement in the Geneva treaty of 1958, the navy used both a number of its sea and its air forces for suppression. But because

of the many important responsibilities of the navy in protecting the nation, both its sea and air forces, and because of its fixed budget, the prevention and suppression took place within limited confines.

Later, in 1980, the United States gave financial help and the budgetary problem was partially alleviated, and then some of the UN member nations saw the importance of the problem in the Gulf of Thailand and gave further budgetary support.

These nations consisted of Australia, Canada, Denmark, Federal Republic of Germany, France, Italy, Japan, the Netherlands, Norway, Switzerland, the United Kingdom, and the United States. These nations supported the piracy prevention and suppression procedures in the Gulf of Thailand between March 1982 and March 1983, and with the exception of the Netherlands, gave further support to the project for the prevention and suppression of pirates from March 1983 to March 1984. A ceremony for this project took place on 12 July at the Songkhla naval station.

Even with the budgetary support from the various countries, the problem of piracy in the Gulf of Thailand still remains virtually as before. This is because of the great area of the Gulf of Thailand, about 300,000 square kilometers, while the force used in the prevention and suppression activities is only 3 P.C.F. coastal patrol boats, 2 T337 reconnaissance planes with high wings, 1 special operations boat, various accessories and communication equipment and about 120 officials.

In addition, it is difficult to tell where, when, and how pirate activities are taking place, so it is hard to find clear evidence. Adm Samakhon Saiwong said that in the past year we were only able to capture one suspected pirate, and when he was charged in court the court had to release him because there was no evidence. This year it appears that officials have not captured any pirates at all.

Rear Adm Wichit Wanwichai, commander of the piracy prevention and suppression unit, said that the prevention and suppression of pirates is very difficult because the coastal area they are responsible for is very large and they do not know where or when there will be incidents of piracy. The naval force has boats to lure the pirates by pretending they are refugee boats, and when a fishing boat comes in to plunder, they show themselves as officials to arrest the pirates and if their force is not great enough they may radio for the coastal patrol boat to come help, still they have not been able to catch any pirates. Their results have been mainly in the area of prevention, because of a lack of evidence to carry out trials and the pirates would have to be released anyway. The decoy boats have some effectiveness in decreasing activities of pirates against refugee boats because they are not certain when they might encounter a decoy which they dangerously mistake for prey. In addition, as they gain more unusual data, officials will be able to give warnings.

Another admiral said that our prevention and suppression has been effective only in the area of prevention and we have not been successful in making arrests. The ingenuity of the suspect is better in this regard than otherwise, and in addition the prevention and suppression unit has been able to compile statistics to investigate efficiently where incidents may occur and how to prevent them.

"The matter of piracy has given us much difficulty as Thailand takes the nations who have given financial support from the blame for being inefficient in the prevention and suppression of piracy. And various nations think the pirate problem comes from the Thai fishermen who usually do ordinary fishing, but when they get a victim, they become pirates, and plunder, kill and rape people in the victims' boats," said a high-level source in the navy. He also said that all sides will have to help solve these problems, not place the burden on Thailand alone. The other nations should help in the solution.

Vietnam in particular could help considerably if it would stop pressuring citizens with different ideas to leave the country, because Thailand is only the end result of the problem. The true first cause is Vietnam.

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GENERALS DISCUSS REASONS FOR SINGAPORE MANEUVERS

Bangkok SIAM RAT in Thai 22 Jul 83 pp 1, 12

[Article: "Singapore Requests Maneuvers in Thailand; Saiyut Claims ASEAN Not Involved"]

[Text] Gen Saiyut Koetphon claims that Singapore's performing military training in Thailand is not an ASEAN affair, but merely a nation-to-nation agreement. Singapore is a small country without room for training. Therefore we are cooperating with them under the political policy of the Thai Government. The cooperation of the two nations in the development of weapons and military hardware is an exchange of experience that gives Thailand greater capabilities.

Gen Saiyut Koetphon, supreme commander, gave SIAM RAT an interview concerning Singapore's use of Thai bases for military training. He said this is not an affair of the ASEAN nations. It is to be understood as military cooperation.

"We do not want to make a lot of noise about it, but it isn't a secret matter. REUTER wants to bring it up, so we want to let the people understand," General Saiyut said.

General Saiyut said this is a joint nation-to-nation affair under the political policy of Thailand. We try to give as much cooperation as we can. Singapore had no place to train so she asked for the cooperation of the army, and the Thai Government gave permission.

"The details are in the army, but please understand that this is just a matter between Thailand and Singapore, an exchange of military experience."

Concerning the agreement on the development of weapons and military hardware of the two nations, General Saiyut reported that this may also lead to misunderstanding. Therefore he asks that we understand that the Thai Government has set up a joint project with Singapore on the basis that sometimes Thailand does not have the experience to be self-reliant, and therefore we must depend on the outside, for example, Singapore.

"When we can, we will cooperate, with increased benefits in realizing our capabilities, especially in weapons," General Saiyut said.

Gen Rian Ditthabanchong, military chief of staff, said in an interview with SIAM RAT that Singapore asked to use Thai bases for military training temporarily and when they finish they have to go back. There may be a contract saying, for example, how many times a year they need to use them or for how long.

General Rian said that Singapore is a small country with no room to train. We should sympathize and mutually depend upon one another. Singapore did not ask to stay permanently and this does not conflict with Thai policy.

Maj Gen Samphao Sikhacha, deputy director of the office of information of the Supreme Command, said that Singapore is a small country and a single island. There isn't even enough drinking water. Singapore is an independent state and must have military forces, but since she is a small island if she were to shoot cannons there would be fear of hitting the villagers.

"Singapore figured we were an ally and would help any way we could, and asked to come without doing any harm and received permission from the Cabinet. It is not coming in on her own--the army or air force is not acting on its own. I would like to submit that the Cabinet gave permission," Major General Samphao said.

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DEMOGRAPHER PREDICTS LARGE POPULATION INCREASE

Bangkok MATICHON in Thai 28 Jul 83 p 3

[Article: "Michai Reveals if We Persist in Leaving the Thai People To 'Have Fun,' in 50 Years the Population Will Increase to 165 Million"]

[Text] "Michai" says that if we let people have many children, in another 50 years the population will increase to 165 million people. He praises the governor of Mahasarakham for being able to get mothers of families to get IUD's inserted.

Mr Michai Wirawaithaya, governor of the provincial waterworks, in his capacity as director of the Center of Population Development, spoke of controlling the birthrate of the people in various provinces. He said that if the Ministry of Interior puts a family planning project into its plan at the meeting of governors on the 22nd and 23rd of this month at Pattaya stipulating that families in the future can have no more than 2 children, the Thai population would not exceed 100 million, but if we do not set a plan and leave the situation at present, 50 years from now the Thai population will increase to 135-165 million.

In the control of the birthrate it was stipulated that 1,000 people should have 14 births, but at present there are as many as 28 births. The goal for IUD insertion for 1983 is 50,000.

"Mahasarakham Governor Thawat Mokaraphong has been able to get 19,000 people to have IUD's inserted in half a year, a success equal to that of New York."

Mr Michai said that Accelerated Rural Development plans to carry out a family planning plan and to control the birthrate of the population. For example, in villages where birth control proceeds according to the goals set, roads will be built or wells dug before other villages. He would like to call for Mr Michai Ruchupan, career minister in the office of the prime minister who is responsible for rural development work, to take an interest in the plan to control births among the population.

Mr Michai went on to say that each month there are 20 to 30 cases of women who have been raped who ask for help from the Center to Fight Rape.

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WAGES, PER CAPITA INCOME BY SECTOR, REGION REPORTED

Bangkok PATINYA in Thai 8 Aug 83 pp 31-35

[Article: "Economics: The Income Gap in Thai Society: Who Created It?"]

[Excerpt] It is generally accepted that in developing nations the distribution of the incomes of the people is in the form of a pyramid, which is shaped like a triangle, with a wide base and tapering ends that meet. This means that the majority of the people of the nations have incomes at the lower levels, which can be compared with the base of the pyramid, while the incomes at the upper levels, which can be compared with the pointed end of the pyramid, belong only to a small portion of the people. The center part of the pyramid shows the middle income people more numerous than those on the top but fewer than those on the bottom. The income distribution of Thailand is in this form, reflecting the standards of living of the Thai people and the fact that most live in poverty. And, if we measure the actual incomes of the people by region, province, and occupation, we find even greater disparities, which are the cause of various economic, social, and political problems. Therefore, the question of the income distribution of the people or the income gap of people of Thai society is frequently raised. Important questions that follow are: What is the cause of that gap? How great is it? Is the trend increasing or decreasing? What is the proper action to take to solve these problems?

Gap in Thai Society: What Are the Causes?

It can be clearly seen that there are great disparities in the incomes of the Thai people and that those with large incomes are a minority. Recently there was a report in the newspapers that a Thai banker was classed among the 12 bankers with the greatest amounts of assets in the world, with over 40 billion baht in total assets.

In contrast, at the same time there was news of a father who had to kill his wife and child and then himself because he couldn't find the money to support his wife and child adequately. And there are the slum houses in various localities, versus the million-dollar mansions of the super-rich, as well as the living conditions of people in the country versus the city and those in metropolitan Bangkok versus other provinces.



In addition, from statistical measures of some government agencies we can also see the disparities in the incomes of people who earn livings in different sectors and people who live in different regions of the nation. For example, the division of income listings of the office of the National Economic and Social Development Board revealed that the average rates of pay of those who were in the financial and banking sector are higher than those in other sectors. In 1980, specifically, people working in finance and banking had an average pay rate of 6,282 baht per month while those who worked in the agricultural sector had the lowest pay rates, an average of 995 baht per month. Those who worked in other sectors had these average monthly pay rates: utilities sector, 3,813 baht; retail and wholesale trade, 3,360 baht; communication and transportation, 2,632 baht; industry, 2,455 baht; government service and national security, 2,183 baht; construction, 2,136 baht, mining and crushing rocks, 2,045 baht; and administration [as published], 2,017 baht. The disparities for people in different regions of the nation can be seen in the table below.

From the table we can see that there are great disparities in income for people of different regions, particularly the northeast vs Metropolitan Bangkok. That is, incomes of the people in Bangkok are almost seven times as high as those in the northeast for each year. Even though these numbers are only values and do not tell us, for each region, the highest and lowest incomes and their relative frequencies, if we look at them all together, in general, they are sufficient to show that there are indeed great disparities in the economic conditions and living conditions of people of different regions.

#### True Cause: The Government's Wrongdoing

If we have said that there are great disparities among incomes in different regions and that the gap is increasing daily, it follows that the government's national social and economic development plans and policies have been wrong from the start. This can be seen in the very first national social and economic development plans, aimed heavily at metropolitan Bangkok, the central region, and the east, at a time when the other regions were aiming only for basic development in the areas of security and safety, so that the difference in incomes of the people in these regions and other regions became very great, even though later development plans (starting with the third) stressed provincial development to lessen the gap in people's incomes and living standards by setting a development plan for the northeast and the north. The Fifth Economic and Social Development Plan contained projects to solve the problem of the people's poverty and projects for spreading prosperity to the provinces.

But it appears that these actions have not been able to solve the problems of poverty of the people in the countryside or decrease the income gaps of people in different regions as they should have, due to several problems and obstacles. These are: initially, the problem of a shortage of officials with technical and administrative skills, the slowness of the government bureaucracy, the lack of efficiency of civil servants, corruption, lack of coordination between government agencies with work being done more than once and agencies unable to assess the results of the project closely and quickly so that they

lacked data and did not know the problems and obstacles that were actually occurring and were thus unable to solve problems quickly and modify their work plans to make them more suitable. In addition, there were problems occurring in nature so that agricultural production did not meet its target, and also changes in the world economic system. Because of these problems and obstacles, the national economic and social development plans, especially in the distribution of incomes to raise the standards of living of the poor people in the countryside, did not achieve the results they aimed for.

Associate Professor Dr Thawatchai Yongkittikun, dean of the Department of Economic Development, Panditphat Institute of Administration, submitted data on the fifth development plan in a report at a 1982 seminar entitled "Plan Five: Economic Reform?" showing that in the previous 5-year period there was a clear trend toward increased disparities in income distribution, particularly between the city and the countryside, due to an increased downward trend in agricultural regions, especially poor areas of the northeast and the upper north that were unable to increase food production on the land. At the same time, production in various regions could not keep up with the increased rate of those entering the labor market. The problem of unemployment appeared clearly and strongly.

The most important cause of disparities in incomes and living standards of the people and the gradual increase in the gap, day by day, is political. That is, over the past 50 or so years Thailand has been governed by a fake democracy for 46 years, except for the 4 years in which it was governed by a true democracy albeit one with a weak structure. In this way virtually no government that ruled the land really increased democratic methods or was a product of the majority of the people or tended to be sincere in ruling for the benefit of the nation and the majority of the people. Therefore, policies and plans for solving problems and for social and economic development that were nicely written up were not really put into effect, especially policies that interfered with the interests of people with power or influential people in the cabinet or their associates.

Table of Average Incomes of People by Region (baht/person/year)

Region	Year	1976	1977	1978	1979	1980
North		5,955	6,609	7,428	8,188	9,541
Northeast		3,248	3,449	4,062	4,789	5,806
East		14,029	16,458	19,495	21,401	25,130
Central		8,152	9,571	10,454	12,734	15,935
South		7,107	9,073	10,606	12,092	14,190
Greater Bangkok		22,323	25,759	29,655	35,825	43,423

Source: Office of the National Economic and Social Development Board

Note: Figures for 1981 and 1982 are not yet available.

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EDITORIAL VOICES CONCERN OVER PRC INFLUENCE

Bangkok PATINYA in Thai 15 Aug 83 pp 2, 3

[Editorial: "Beware Deception!"]

[Text] At the present time almost all the roads of international politics head straight to Bangkok, causing a procession of leaders of various nations to travel here to meet with and have discussions with Thai leaders. Among these leaders is Wu Xueqian, China's foreign minister.

On this visit, apart from the regular meetings with Thai leaders, the Chinese foreign minister called in an interview for the various nations who support the three Cambodian factions to continue as a group to oppose Vietnam, because it is impossible for China to bear the burden alone. Mr Wu Xueqian said that an outcome of the 12th CPC Congress is that the Chinese Communist Party will not interfere in the internal affairs of the CPT [Communist Party of Thailand], which is considered an official announcement of a break with the CPT.

It is observed that Thai soil has become a place where the superpowers announce they will intervene or cease to intervene by sending agents to set up various organs to sabotage our nation. This is due to Thailand's location in an important strategic position for the superpowers' expansion of power.

China needs to have Thailand under its influence in order to expand its power southward to the extreme border of Southeast Asia and close the Straits of Malacca, giving China a hold on an important passageway to Japan. When Japan is under China's power, China can successfully fend off the Soviets and the Americans. The Soviets want to expand their influence in Indochina through their surrogate, Vietnam. And for the same reason, the United States tries to support nations in the area to be free nations in order to cut off the expansion of communist influence, which would be dangerous to the United States in the future.

In this way, as long as the three superpowers continue to vie for power like this, this region and especially Thailand will be endlessly infiltrated and undermined with various sorts of pressure.

Originally, when China and the Soviet Union were still allies, the two supported the CPT in undermining the various governments of Thailand in order to seize power, and as the CPT was born out of the CPC and the CPC became more influential in the CPT than the other lines, China's leaders announced their support, if not through government support, then as a responsibility of one communist party to another.

The fact that the Chinese foreign minister is calling for continued support to the three factions in order to oppose Vietnam shows that China continues to insist on protecting its influence in this region, as China controlled the leadership of the Khmer Rouge, in addition to the matter of pressure from the northern Vietnamese border and the support for ASEAN in establishing the coalition of the three Khmer factions.

China's announcement that it will not intervene in internal affairs of the CPT may be considered from several angles: (1) In not intervening in the CPT, the CPC will still continue to support them, but will not need to issue directives because in general the CPT has acted according to the desires of the CPC. In addition, the CPT probably believes that following the CPC backside has caused the CPT to split. Therefore, the Chinese don't dare intervene to the point where the situation in the CPT deteriorates even more. (2) It is difficult for the CPC to support them because the original contact routes in Indochina have all become part of the Soviet sphere of influence, so that the results are not worth the effort, and to open new routes through Burma would take a long time. Therefore, China must find a new method (through the government or the CPT) to have Thailand continue to act to China's advantage. (3) The Thai Government has acted according to China's wishes without China having to make much of an investment, as in supporting the CPT, which did not have state power and gave China a negative image with the Thai people.

In this way, even if the Chinese foreign minister continues to speak as the Chinese leaders did before, if they look carefully they will see that the benefits that China wants, spreading influence in the region, will not have decreased at all. The important point is that we must not forget the deceptions of the superpowers, on no matter which side, so that we step out from neutrality, of which there is little today, and lose that neutrality once again.

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## FOREIGN INVESTMENT, DEBT PICTURE ANALYZED

Bangkok PATINYA in Thai 1 Aug 83 pp 17-20

[Article: "The Influence of Foreign Investment in Thailand: How Dangerous?"]

[Excerpt] Table 1 shows that at the end of 1982 Thailand's total foreign debt was 213,095,000,000 baht, up 16.9 percent or 3,771,000,000 baht from 1981. Of the total debt, 64.9 percent was for the government sector. The foreign debt for the private sector at the end of 1982 was 74,752,000,000 baht, up 10.08 million baht or 15.6 percent. Of the total private debt, 71.15 percent was long-term. When the long-term debt for the private sector and that for the government sector are combined, it is apparent that at the end of 1982 Thailand's long-term foreign debt was 191,533,000,000 baht or about 90 percent of the total debt for that period. From one point of view, long-term debts can give the debtor enough time to use the loan earnings to repay the loan, if the loan is administered efficiently and there are no leaks, as in the case of government or state enterprise loans today. But, at the same time, from another point of view, long-term loans are a heavy burden on the taxpayer, particularly if they are not administered efficiently. When the time comes to pay the debt, the government may squeeze the money from the people in the form of increased taxes, or it may borrow again to repay the old debt, causing the national debt to continue to increase.

The debt of the government sector in 1982 was mostly money borrowed for use in the development of energy, communication, transportation, agriculture, irrigation, and national security, as designated by the loan officials of the Thai Government. Forty-two percent of the loans were from private foreign financial institutions, 21 percent from the World Bank, and 14.5 percent from financial institutions of the Japanese Government. Private creditors are a large portion of the private foreign financial institutions. From the rates of foreign loans in Table 1 we can see that Thailand's foreign debt increased by 16.9 percent in 1 year, which should make us worry about how we will find the money to repay these debts.

## Foreign Investment and the Benefits Foreign Nations Gain From Thailand

## Foreign Investment

There has been foreign investment in Thailand for over 100 years, ever since Europeans began trade contacts with Thailand at the beginning of the Ratanakosin period, but investment in that period was not yet very large.

Table 1. Thailand's Foreign Debt (at the end of the year)

(Unit: million baht)

	<u>1981</u>	<u>1982</u>	<u>Percent change</u>
1. Government	117,652	138,343	17.6
Direct	41,329	48,401	17.1
Collateral on loans	72,721	89,063	22.5
State enterprise debts	3,602	879	-75.6
(government did not place collateral)			
2. Private	46,672	74,732	15.6
Long-term (over 1 year)	48,268	53,190	10.2
Debt for loans	41,437	45,701	10.3
Commercial debt installments	6,821	7,489	9.6
Short-term (1 year or less)	16,404	21,562	31.4
Debt for loans	16,137	21,256	31.7
Commercial debt installments	267	306	14.7
Total debt (1+2)	182,324	213,095	16.9

Source: Economic and Financial Report for 1982, Bank of Thailand

Table 2 shows net direct foreign investment in Thailand from 1975 to 1982, divided according to sector of the economy. It appears from the table that of direct net foreign investment during the last 2- to 3-year period a large portion was invested in the area of mining and extraction of minerals. In 1982 the greatest investment was in drilling for oil, with a value of 1,531,800,000 baht. Investment in industry was second, with 1,171,600,000 baht, and investment in agriculture was the lowest as compared with investment in other sectors for the whole 8-year period, according to the table.

The countries that invested the most in Thailand were the United States and Japan, followed by England, Germany, France, Hong Kong, and Singapore. In 1982 net direct investment by the United States came to 19.6 percent of the total, while investment by the various countries from the beginning to the present, the United States appears to be the country that has invested the most in Thailand: 31.31 percent or a total of 9,058,500,000 baht. Direct Japanese investment in Thailand to 1982 comes to 26.64 percent of total foreign investment or 7,706,400,000 baht. Hong Kong and Singapore invested 3,120,300,000 and 1,771,200,000 baht or 10.78 and 6.12 percent of total foreign investment in Thailand, respectively.

Table 2. Net Direct Foreign Investment in Thailand Between 1975 and 1982

<u>Economic sector</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Financial institutions	392.9	218.4	606.1	-123.5	-613.5	-223.9	643.9	-490.3
Commerce	392.9	436.3	306.3	341.8	341.3	745.2	474.5	689.4
Construction	168.6	152.3	227.0	190.4	291.8	782.6	1,276.8	745.4
Mining (extraction of resources)	62.3	86.9	91.6	67.5	154.2	590.7	767.7	1,682.1
Agriculture	2.1	1.3	-0.2	-13.2	3.9	209.3	7.5	11.0
Industry	582.1	458.8	659.1	465.4	721.4	1,014.8	2,525.8	1,171.6
Service	-8.6	260.1	273.9	87.4	148.6	696.8	662.0	494.5
Total	1,744.8	1,614.1	2,163.8	1,010.8	1,047.7	3,816.0	6,363.2	4,303.7

When there is foreign investment, it is likely that foreign investors hope to repatriate the profits. Table 3 shows profits and dividends the various countries repatriated from foreign investment in Thailand from 1976 through 1982.

If we look at Table 3, in general we see that investor nations increased their profits and dividends each year, following the increase in investment each year. Profits and dividends for 1982 totaled 2,714,200,000 baht or 9.38 percent of the amount of direct foreign investment at the end of 1982, a grand total of 28,932,400,000 baht. In addition to benefits in the form of profits and dividends that foreign nations get from their investments in Thailand, there are other benefits, such as copyright fees and compensation for management, with total management compensation fees that foreign nations received from Thailand for 1982 at 462.8 million baht. England received 87.9 million baht in management fees. Copyright fees that foreign nations received and took home for 1982 totaled 853.3 million baht, of which Japan received the most, at 429.3 million baht.

Table 3. (million baht)

Year	Country	United States	Japan	England	Germany	France	Hong Kong	Singapore	Other	Total
<u>1976</u>										
	Profits	62.4	94.8	332.7	3.8	--	5.5	0.1	130.0	629.3
	Dividends	652.2	131.6	78.1	13.3	0.4	31.8	1.6	74.4	983.7
	Total	714.6	223.4	410.8	17.1	0.4	37.3	1.7	204.4	1,612.7
<u>1977</u>										
	Profits	360.5	40.2	113.7	--	--	1.0	--	136.2	651.6
	Dividends	570.6	141.8	70.3	18.4	0.3	42.4	1.4	138.5	983.7
	Total	931.1	182.0	184.0	18.4	0.3	43.4	1.4	274.7	1,635.3
<u>1978</u>										
	Profits	245.5	56.3	145.1	--	0.3	5.8	--	87.4	540.4
	Dividends	583.8	163.7	150.5	29.2	0.1	50.6	1.7	140.7	1,120.3
	Total	829.3	220.0	295.6	29.2	0.4	56.4	1.7	228.1	1,660.7
<u>1979</u>										
	Profits	360.8	42.0	97.5	--	--	39.8	40.9	150.7	731.7
	Dividends	509.0	269.7	49.0	20.9	16.2	71.2	2.9	301.1	1,240.0
	Total	869.8	311.7	146.5	20.9	16.2	110.1	43.8	451.8	1,971.7
<u>1980</u>										
	Profits	327.3	7.9	137.0	--	--	0.8	18.0	286.7	777.7
	Dividends	502.0	228.4	240.8	25.9	33.7	88.9	2.2	149.5	1,271.4
	Total	829.3	236.3	377.8	25.9	33.7	89.7	20.2	436.2	2,049.1
<u>1981</u>										
	Profits	632.9	21.6	39.8	0.1	--	0.1	39.0	177.9	911.4
	Dividends	1,042.0	305.1	497.4	50.1	48.2	144.4	5.3	302.3	2,494.7
	Total	1,674.9	326.7	637.2	50.2	48.2	144.5	44.3	480.1	3,406.1
<u>1982</u>										
	Profits	404.9	49.9	29.7	1.8	--	5.4	2.5	91.8	586.0
	Dividends	1,116.1	278.1	258.2	23.4	96.3	170.1	3.7	182.3	2,128.2
	Total	1,521.0	328.0	287.9	25.2	96.3	175.5	6.2	274.1	2,714.2

9937

CSO: 4207/149



THAILAND

BRIEFS

ISRAELI ASSISTANCE TO POLICE--Israel is sending officials to train unit 191 and the special operations unit to improve their competence. Police Maj Gen Wet Phetborom, commander of patrol and special operations, revealed that he had had discussions with the Israeli police department asking for cooperation in training police officials of unit 191 and the special operations unit to increase their work efficiency. "Originally we were going to send them to Israel for training, but they contacted us and said they would send instructors here, so we wouldn't have to send them. First they will send basic training texts so that we can prepare, then in September they will send instructors to train us," Police Major General Wet said. Police Major General Wet went on to say that Israel's special operations unit is very efficient in their work. We will have to be prepared in the area of force. If we receive good training, in the future we will have a fully efficient special operations unit. [Text] [Bangkok MATICHON in Thai 26 Jul 83 p 3] 9937

CSO: 4207/161

## ECONOMIC PLANNING, TRADE AND FINANCE

### PROGRESS REPORTED IN DECENTRALIZATION TO DISTRICT LEVEL

Hanoi NHAN DAN in Vietnamese 29 Aug 83 p 2

[Article by Nguyen Le: "Decentralization of Economic-Financial Management to District Level Attains Initial Results"]

[Text] Assigning responsibility for economic-financial management to the district echelon is one of the important contents of the task of developing the districts and strengthening the district echelon.

During the past several years, under the guidance of the central-level ministries and sectors many provinces and municipalities have boldly assigned to the districts direct responsibility for managing production and commercial units, enterprises, stores, and farms which directly serve agriculture, including installations processing agricultural, forestry, and maritime products, in the sphere of the district, which form a district economic structure that is tied in with the economic-technical sectors at the provincial and central levels. The districts also participate in the management of provincial and central economic units in the sphere of the district, in order to create conditions for the districts to become an echelon with all-round plans and budgets, as stated by the central committee. That is necessary and correct.

The actual situation has proved that decentralization to the district level does not mean dividing property or that all tasks are restricted to the sphere of the district, but that the district echelon includes both the district installations and the installations of the provincial and central economic-technical sectors, in accordance with a management organization structure that is unified with regard to sector and echelon.

According to data of the Ministry of Finance, at present only 14 of the 418 districts are not yet capable of accepting decentralization. In the north, in addition to managing the agricultural and small industry-handicrafts installations each district manages between 10 and 15 state economic units. The southern districts manage fewer state economic units. North of Binh Tri Thien, state economic units in the production and commercial sectors -- with fixed assets valued at 1 billion dong and with 120,000 cadres, workers, and employees -- are directly managed by the districts. Many provinces and municipalities have assigned to the districts direct responsibility for managing most of the state economic units operating in the district. For

example, Ha Nam Ninh assigned to the districts responsibility for managing 202 of the 307 state economic units, with fixed assets valued at 425 million dong and 14,232 workers. Nghe Tinh assigned 211 of a total of 327 state economic units with fixed assets valued at 316 million dong and 18,473 workers.

In addition to the above-mentioned production and commercial enterprises, the provinces and municipalities have assigned to the districts direct responsibility for managing such economic units as crop, livestock, veterinary medicine, and vegetation protection farms and stations. The management of such cultural, educational, and public health activities as elementary schools, hospitals, movie units and theaters, etc., has also been assigned to the districts.

In general, during 4 years of decentralizing economic-technical management the districts have gradually drafted all-round plans, set up budgets, and ensured the fulfillment of the economic-social missions that are assigned. Therefore, there have gradually taken form districts with economic structures based on the conditions of each type of district. Many districts were at first confused and encountered difficulties, but now most have been assigned clear responsibilities and have advanced to grasping their economic capabilities and drafting economic-social development plans, and have developmental momentum. Agricultural production has been promoted and industrial, small industry, and handicraft production -- especially handicraft production -- has increased rapidly. By means of reorganizing production, redistributing labor, combining agriculture with industry from the very beginning, and developing sectors and trades, in nearly 100 districts the production value of industry, small industry, and handicraft production is more than 10 million dong. But an even grater accomplishment is that we enabled the district echelon to grasp the economic activities, enter deeply into economic management, help the production and commercial bases operate efficiently, know how to use finance to develop the potential and strength of the districts, do a good job of playing the role of the state administration, be concerned with the material and cultural lives of the people, maintain order and security, achieve national defense by all the people, etc.

But the decentralization of economic-technical management to the district level has not been carried out fully and completely, and there has been failure to prepare the necessary conditions for the basic level, such as operational apparatus, cadres, capital, specialized facilities, etc. After carrying out decentralization, some places believe that they are not responsible for monitoring and assisting the bases and do not realize that the strength of a sector is determined by its bases. Many bases have been assigned responsibility by the district but have not been assigned capital and materials, and the districts have not turned over the economic installations that have been decentralized, or turned over the cultural, educational, and public health installations. Some places have even decentralized to the districts management of secondary schools, which has caused many difficulties and much confusion at the district and basic levels. Furthermore, some districts are still heavily influenced by partialism and do not fully realize the relationship and unity among the different economic components and sectors in the sphere of the district.

Although the specific results and actual experiences are only preliminary, they have had an important effect politically, economically, and socially. There have appeared many new factors in the process of advancing from small-scale production to large-scale socialist production, in which the district is the most appropriate.

By implementing the resolution of the Third Plenum of the Party Central Committee; the decrees on developing the districts, strengthening the district echelon, and decentralizing economic management from the central level to the local level; and the specific stipulations regarding the central and provincial economies, the districts will strongly develop the morale and material motive forces and ensure unity and harmony between the interests of society as a whole and the interests of the collectives and individual workers, and will create a new transformation in the sphere of the district. Of course, the decentralization of economic-technical management to the districts must be carried out step-by-step, but it is necessary to urgently and positively create the necessary conditions and premises with regard to all aspects, in order to ensure that after decentralization is carried out the economic-technical effectiveness will be greater. That is a principal mission which is intended to further the growth of the sectors, the echelons, and the national economy as a whole.

5616

CSO: 5616/541

## ECONOMIC PLANNING, TRADE AND FINANCE

### PROGRESS REPORTED ON COLLECTION OF INDUSTRY, TRADE TAXES

Hanoi NHAN DAN in Vietnamese 10 Aug 83 p 1

[Article: "Responsibility and Discipline: Industry, Trade Taxes Enhance Production, Business"]

[Text] In 1982, amounts collected in industry and trade taxes met 103.5 percent of the planned goals and were more than twice the amounts collected in 1981. Thirty-four out of 40 provinces and municipalities surpassed industry and trade tax collection quotas.

In the first 6 months of 1983, sectorwide performance in implementing legislation that reformed industry and trade taxes met 45 percent of the goals for the entire year, which is 247 percent of last year's total. Twenty-five provinces and municipalities achieved 45-77.3 percent of planned goals; a long list of units achieved high levels: Dac Lac, Tien Giang, Quang Nam-Da Nang, Gia Lai-Kon Tum, Nghia Binh, Lai Chau, Song Be, Binh Tri Thien, Lam Dong, Ha Bac, Thai Binh, Bac Thai, Quang Binh, Tay Ninh, Ha Tuyen, Dong Nai, Son La, Phu Khenh, Hanoi, Haiphong, and Vung Tau-Con Dao.

Preliminary results have been good in industry and trade tax collection efforts to impose state control and inspection on industry and trade, helping to encourage economic development, to increase market management, and to counter negative trends in the economy and in society. Sectorwide, investigations brought to the surface 20,000 private businesses and subjected them to taxation, making adjustments of business income and net profits more realistic than before. Since the 2nd quarter, 1983, the sector has combined implementation of legislation that reformed industry and trade taxes with implementation of legislation sanctioning blackmarket speculation, production of counterfeit goods, and unauthorized business practices and with the resolution of the Council of Ministers on expanding socialist trade and managing the market, so that management of the effort to cut tax losses has concentrated more and more on large households in trade, food and drink, and service businesses. This concentration raised the amount of taxes collected from these types of households in the 2nd quarter 2 to 4 times, sometimes as much as 10 times, what it was in 1982. Some success was also enjoyed in the effort to establish tax collection controls in the circulation phase. In the past 6 months, the number of cases of tax and market management violations uncovered by the tax agency increased by 50 percent, contributing to the fight against negative trends in circulation and distribution.

A high quality of tax management was also maintained in the sphere of production and in reference to the collective economy. Tax sector activities were not limited solely to the collection of funds. In many provinces--such as Dong Nai, Thuan Hai, Phu Khanh, Binh Tri Thien, Quang Nam-Da Nang, Dac Lac, and Long An--and in such municipalities as Hanoi and Ho Chi Minh City, the tax sector helped cooperatives and production teams exploit production capacity, solve problems of funding, raw materials, and product consumption, and insure that production expands and increases income for the budget.

Of course, compared with requirements, there is still a significant amount of loss of tax revenue. After taxes income and prices are still low; there are still many households doing business without paying taxes; and efforts to promote fair, rational contributions and regulate profits among big business households have been limited.

Although there has been some change in the leadership of the tax effort at all levels of the party and government, there are still a number of provinces and municipalities where it receives insufficient attention. Most significantly, guidance and implementation of legislation have not been closely tied to other policies in order to prevent state control of all collective and individual trade activities from disrupting distribution and circulation.

The tax sector recently held a general convention to devise ways to collect taxes according to policy, carry out its responsibility to collect taxes in a synchronized way that surpasses goals planned for 1983, help stabilize prices in the market, promote socialist reformation, improve and expand the organization of the sector, and build the ranks of socialist tax cadres.

The Council of Ministers took the opportunity to award certificates of commendation to 19 units and 3 individuals who had made many accomplishments in the industry and trade tax effort.

9830  
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## ECONOMIC PLANNING, TRADE AND FINANCE

### PROBLEMS OF HO CHI MINH CITY PORK MARKETING DISCUSSED

Hanoi NHAN DAN in Vietnamese 29 Aug 83 pp 1, 4

[Article by Bang Chau: "On the Buying and Selling of Pork in Ho Chi Minh City"]

[Text] During the first 6 months of 1983, with the assistance of Food Products Corporation No 2 of the Ministry of Home Trade Ho Chi Minh City bought more than 23,000 tons of pork. That amount of meat was not only sufficient to meet the city's needs and deliver some meat to the central echelon, but also could have provided some meat for export. It must be said that although state commerce controlled such a large quantity of meat, private merchants often dominated it and guided prices. Furthermore, although the number of hogs in the city declined during the first 6 months of the year, the total number of hogs was not less than that of the surrounding provinces. So why has there not been a year in which the city has purchased more than 20 percent of the total amount of pork?

#### Some Reasons

No place in the country has a stronger system of animal feed processing plants than Ho Chi Minh City. It consists of seven installations with relatively modern machinery with a capacity of 300,000 tons a year. During the past 8 years, however, because of a shortage of raw materials its output has never been approximately equal to its capacity. During the peak year -- 1982 -- it produced only 30,000 tons. During the first 6 months of 1983, although its supply of raw materials varied from day to day the system of plants produced 14,500 tons. In addition to the feed processing plants there are also rice mills which every year husk tens of thousands of tons of paddy for the central echelon and the provinces. Since one ton of paddy includes 30 to 40 percent bran, the amount of bran in that sector is considerable. The directors of the feed processing plants often complain that "there's a lot of bran but the price is high and no one wants to sell it at the designated price." In the past, every day the food processing plants delivered 12 truckloads -- each weighing six tons -- of residue left over from brewing beer, but now they deliver only six truckloads at prices five times greater than in the past. The excessively high price of bran is one of the reasons for the decline in the number of hogs in the city. Last year the price of a kilogram of rice bran was five dong but this year it is 10 dong. The price of corn was 6.5 dong but this year it is 13 dong, and sometimes 18 dong. Furthermore, the quality of bran is lower than in the past. The prices of breeding hogs and medicines have risen and the animal

husbandry incentive policy is not satisfactory.

Those are some of the reasons why the number of hogs has declined and the number of hogs purchased by the state has not met the requirements.

Where Did the Meat Go?

When state commerce controls little of the pork supply the private merchants immediately rush out and manipulate the market. After many campaigns to transform and reorganize the buying and selling of pork, the market is more stable, but there are still 2,500 pork merchants in the city. Those merchants buy nearly all of the hogs raised by families, while state commerce in the precincts and districts are still confused with regard to the purchasing mode. In 1982 the commercial sector bought only 10 percent of the total number of hogs and during the first 6 months of 1983 the number of hogs purchased was even smaller. A number of cadres who specialize in state purchasing in the precincts told us that it is unprofitable to buy hogs in the city because they are bought one at a time and cannot be purchased in large numbers at the same time, while in the other provinces it is possible to buy dozens at a time and to buy many of them. Only thereby is it possible to make a big profit. Many families of workers and civil servants raise hogs but they seldom sell them to state and collective commerce because the paperwork is troublesome and they are afraid that they won't be paid in cash and that they will lose a lot of time. If the hog purchasing methods of state and collective commerce are not adequately improved the private merchants will continue to use all ways to buy and sell dishonestly, make profits on the backs of the workers, and upset the market. A clear consequence of that was the fact that during the second quarter of this year the amount of meat sent to the city from the provinces declined and the private merchants spread out to the markets and hired clerks of food stores at the key markets to buy up all the meat, then increased prices to their heart's content. They spend a lot of cash and collude with merchants in the provinces to compete with state commerce in buying pork at the pens, and collude with the negative elements in the food corporations in the areas around the city. The price of meat has also risen because many private restaurants spend a lot of money to buy meat, then make profits from free-spending customers. In the city as a whole, there are more than 31,000 food and drink merchants of the various kinds, who use about 30 tons of meat a day. In 1982 the income of those eating places amounted to 4.5 billion dong. At present foodstuffs are in short supply and the amount of food supplied on a rationed basis is insufficient, so if we allow eating places to spread all over and buy up all the food, that will upset the entire market and affect the lives of the workers.

In 1983 the Municipal People's Committee, Foodstuffs Corporation No 2, and the Industrial Service have held many meetings with provinces rich in foodstuffs to reestablish order in purchasing hogs and determining hog prices. Everyone realizes the harm done by allowing the precincts and districts in the city to go to the provinces to buy pork on their own, which affects the commodity fund, increases market prices, and results in competition in purchasing goods and increases prices. The commercial sectors of the provinces clearly realize the difficulties of Ho Chi Minh City and have created a number of favorable conditions of supplying enough rationed meat to workers, civil servants, and



the armed forces, and have also sold a notable quantity of meat at guaranteed commercial prices.

The problem that is posed at present is to achieve a specific division of labor with regard to organization, determine the purchasing mode, prices, and suitable incentives for people engaged in animal husbandry, pay attention to building pens, invest in state slaughter houses, consolidate the corps of state purchasing cadres, etc. Furthermore, in order to create conditions for maintaining the number of hogs, there must be cooperation among the processing, rice milling, and animal husbandry sectors of the central and municipal levels for the common benefit, by developing production and stabilizing the market. In addition to continually managing, inspecting, and controlling the retain meat agents and food stores with regard to prices and distribution, it is necessary to pay all-out attention to economic education and administrative measures, prevent the private meat merchants from colluding with merchants in other provinces, and manage and use them in a way that serves the common benefit.

The actual situation has shown that an urgent problem that has been posed for the city is promoting the socialist transformation and construction of the meat sector, while reducing the number of private restaurants. As is true with regard to the other essential goods, life demands that the city's socialist commerce must advance more strongly in order to firmly control meat and gradually advance to managing all sources of meat, all wholesale selling of meat, and most of the retail network.

5616

CSO: 4209/541

## AGRICULTURE

### ORDER OF PRIORITIES IN AGRICULTURE DISCUSSED

Hanoi TRIET HOC in Vietnamese No 41, Jun 83 pp 107-117

[Article by Nguyen Tinh Gia: "The Order of Priorities in Agriculture in the First Phase of the Period of Transition to Socialism in Our Country"]

[Text] The path of advance of backward peoples after their liberation was delineated by Lenin at the Second Congress of the Communist International: "The economically backward peoples can advance to a soviet regime and bypass the phase of capitalist development in advancing to communism by passing through certain phases."

In Vietnam the great tasks of socialist transformation and socialist construction are posing a whole series of problems with a law-like nature. One of those problems is recognizing and applying the objective economic laws in order to determine appropriate forms and steps in the first phase as well as throughout the phase of transition to socialism. Here we will deal only with the order of priorities in agriculture and the effect of production relation laws that are appropriate to the level of development of the production forces.

In the process of leading our country's agriculture through the first phase of the period of transition to socialism, we must take a whole series of preliminary steps in order of priority.

Our country has been united but does not yet have a common economy. Most of the peasants in the north have entered cooperatives, but most of the peasants in the southern provinces still earn their livings individually. The transformation of peasants in order to gradually bring them into collective socialist livelihood cannot be accomplished only by means of the revolution in production relations in agriculture. It is also necessary for industry, by means of a process of industrialization, to gradually effect agriculture, while agriculture must serve as the basis on which to develop industry. Thus in carrying out cooperativization in order to gradually transform agriculture in our country it is necessary to simultaneously carry out the revolution in production relations and the scientific-technical revolution, while also carrying out socialist industrialization.

Socialist industrialization has its own path of advance. The present domestic and international situations demand that the industrialization process in our country foresee (although not completely and precisely) the steps to be taken

throughout the phase, and it is necessary to formalize relatively specifically the social forms of that phase in order to gradually affect agriculture appropriately and effectively. On the other hand, in the process of agricultural cooperativization it is necessary to find appropriate transition forms of production relations in order to develop its effect on industry, while also being transformed by industry. That is a process of dialectical interaction between industry and agriculture and between the production forces and the production relations in agriculture. But during recent years, because of failure to fully grasp our country's agricultural situation, to analyze the difficulties and advantages in agriculture, or to properly apply the law regarding the appropriateness of production relations to the level of development of the production forces in agriculture, we have not been able to draw a complete picture of the period of transition, especially the steps in the initial phase.

For example, under the circumstances of our country, the active, creative nature of that period demands that we determine, both qualitatively and quantitatively, into how many plans our country's agriculture in the initial phase of the period of transition can be divided, and what each of our plans must do in order to build the material and technical bases of agriculture. Once the material-technical bases are built and the production forces develop there are the questions of how the production relations will develop, which forms must be maintained for a longer period of time and on a larger scale, and what the immediate forms will be or what role they will play. The intermediate forms are very important. If the role of intermediate forms in the initial phase of the period of transition is not fully realized, the term "transition" itself will become meaningless. But if the intermediate phase is overstressed and absolutized, and if the intermediate forms are absolutized, there will be a loss of direction in guiding the lines. For example, the forms of work-exchange teams, production solidarity teams, and production collectives, the present form of contracting out final output to groups and individual workers, etc., are only transitional intermediate forms to bring the peasants into low-level, and then high-level, agricultural production collectives. Those are not basic forms that are permanently bound to socialism, but are forms that are appropriate to the developmental level of economic management in agriculture. Therefore, in the initial phase of the period of transition we must be sharp and agile in agricultural management, and know how to combine flexibility with principle. Principle must be manifested in transforming the individual peasants in order to guide them to socialist collective livelihood and into the agricultural production collectives, but it is also necessary to be flexible in determining the order of priorities.

In the phases leading to socialism, the first phase of the period of transition is the most complicated and difficult. Most noteworthy of those difficulties and complications is the richness and variety of the forms and steps. At a time when the economy still has many components and when nonsocialist economic components exist side-by-side with the socialist economic components, in the first phase the continued existence of those economic components is an historical inevitability. Therefore, management in agriculture demands that we build an appropriate economic management structure. The building of that management structure requires that we apply the economic laws of socialism while also knowing how to apply the other economic laws which permanently

affect socialism in order to either limit them or make use of them when necessary. But during recent years, in the process of the socialist transformation of agriculture many specific policies and tasks have not fully manifested strong consciousness of the period of transition. A number of economic policies and measures that have been set forth are not appropriate to our present agricultural situation. Many tasks have not been guided closely but are still arbitrary, and are not fully based on economic laws, so a large number of cooperatives were hastily expanded to the scale of an entire village before there were sufficient conditions for doing so, which led to the emergence of many problems in cooperative management, such as determining a rational labor organization, justly paying cooperative members for their labor, and combining the interests of the state with those of the collectives and the individual workers. Many specific policies in agriculture in general and in cooperative management specifically which are no longer appropriate to the new situation were discovered and corrected slowly. That situation caused production to stand still, caused workers not to produce enthusiastically, and caused negative phenomena in management, among cooperative cadres, and among cooperative members to arise and become widespread. Labor is valuable capital and is the source of creation of social wealth, but we have not fully utilized our labor capability to contribute to furthering the development of the production forces. It must be said that our working peasants have always been hard-working and have been able to endure difficulties, but they are not enthusiastic in their labor because they cannot ensure their living standards by working in cooperatives. Therefore, although the average per-capita land area in the cooperatives is small, some land is left uncultivated in many places. In such places the workers are prepared to abandon the land to find any kind of work -- including a number of illegal occupations -- so that they can have additional income and higher living standards. The five-percent family land receives much greater attention than the cooperative land. What causes the workers to pay more attention to the five-percent land than to the cooperative land? Clearly, in such places the problems of the benefit of workers and the relationship between the collective economy and the family economy have not been exposed and promptly resolved.

In the past, in war the morale element was a motivating force which enabled the peasants to endure deprivations and difficulties in order to produce and fight. Now the situation has changed, so there must be just distribution among the cooperatives, among the production units, and among the workers, and the workers' living conditions must be improved. In order to meet those objective demands of the workers it is necessary to promote the advance of the cooperatives' production.

But when considering the working methods of some weak agricultural cooperatives we see that the value of a workday is too low, payment for labor lacks fairness and does not encourage a spirit of enthusiastic labor on the part of cooperative members, the situation of corruption and waste on the part of cooperative cadres and members has become increasingly serious, etc. Ultimately that leads to the situation of high production expenses, low productivity, low economic results, a decline in income from the collective economy, and failure to maintain living standards. Therefore, it is easy to understand why workers do not go all-out in working for the cooperatives. Clearly, the socialist production relations in such places have been weakened.

Production relations form an objective economic structure which permanently affects the production forces and creates upheaval with regard to production forces. That dialectical effect determines the objectives of social production, determines the direction of development of production and the material and spiritual needs, and determines the social organization and management systems. Therefore, the appropriateness of the production relations with regard to the present level of development of production forces in our agriculture must be understood as being the internal suitability of an economic structure, which is manifested in a system of agricultural economic management that is appropriate to each historical period. The stagnation of production and the appearance of many negative phenomena in the agricultural cooperatives, as stated above, result to a very important degree from our failure to find the correct intermediate-transitional forms of production relations, which according to the laws of socialist development must be appropriate to the level of development of the production forces in agriculture.

By contracting out final output to groups and workers we found a method that was appropriate to the first phase of the period of transition to socialism in our country at present. That new contracting-out form serves to initially consolidate the production relations and create premises for further steps up the ladder in the future.

The actual situation of the contracting out of output to groups and individual workers has affirmed that that practice has positive effects in many regards on the advanced cooperatives, the average cooperatives, and the weak, deficient cooperatives. With that new contracting-out system, the workers are more enthusiastic in production, the land is better utilized, materials are used more efficiently and economically, there is less waste in harvesting, and the peasants are concerned with technical advances in order to increase labor productivity and therefore develop production. In the present situation of our agricultural economy, extremely important working methods with real economic effectiveness are to continually increase the material wealth of society, increase labor productivity, and improve working conditions. Those are yardsticks for measuring the correctness of the new management system in our agricultural cooperatives at present. It is possible to, in many ways, increase the total output of society, increase labor productivity, and improve living conditions, such as by means of a large machine-building industry capable of transforming agriculture, a corps of skilled agricultural economic management cadres, etc. But in our country that is not yet possible, so the full utilization of labor and land and the expansion of the production-commercial sectors in agriculture brought about by the new contracting-out system are tasks of extremely great significance with regard to the actual situation of the agricultural economy and our other economic sectors at present. The new management system is a form of economic management that is appropriate to the present situation of production forces in agriculture.

Production relations include many aspects: the system of ownership of the means of production, the management system, and the system of product distribution. The contracting-out of final output to groups and workers has caused the peasants to be concerned with the cooperative land they have contracted out, with management in order to attain high yields, and with the final products

produced by their own hands. Thus the contracting out of output to groups and workers has caused the cooperatives' production to develop, the cooperative members' lives to improve, the cooperatives to more fully fulfill their obligations to the state, and the cooperative members to become increasingly closer to the cooperative. Therefore, the contracting out of final output to groups and workers does not mean, as many people believe, that the socialist production relations in the rural areas have been shattered. On the contrary, the production relations there have been consolidated and the production forces have gradually been developed.

As we stated above, the contracting out of final output to groups and workers in agriculture is exerting many positive effects on society as a whole. But we cannot regard contracting out as a panacea that can resolve all problems that are now being posed in our economy. The development of production and the improvement of the workers' living conditions depend on many factors. There is the factor of weather, the factor of material-technical bases, the factor of the level of management, etc. Of those factors, some are directly related to the level of development of production forces, some are tied in with the production relations, some are objective, and some are subjective. Therefore, one should not blow the contracting out of output to groups and workers out of proportion. The contracting out of output of groups and workers in agriculture is only one part of the process of organizing and managing agriculture at present. It is, of course, related to the other aspects, with which it forms a complete system. The management of agricultural production is a complete management system. That management structure is related to both the production relations and to the level of development of the agricultural production forces.

The contracting out of final output to groups and workers is a very important part of the management of agricultural cooperatives at present. The positive effect of the contracting out of output is very clear. That new contracting out system cannot be carried out in a short period of time, for only when the material-technical bases of agriculture have advanced a step further toward relatively complete mechanization can that management form be replaced by higher management forms. The contracting out of final output to groups and workers is something that is very new, for we are in the initial phase of the period of transition to socialism, when everything is in a state of change and nothing can be perfected in only a short period of time and thus must be continually supplemented to achieve appropriateness. Therefore, beginning now we must think about and find forms that are appropriate for the succeeding steps. At the same time, we must be sharp so that we can uncover the new contradictions that arise and in order to resolve promptly and well the existing problems in the contracting out of output to groups and workers.

The first phase of the period of transition is rich and very complicated. That richness and complexity occur in all specific forms and steps. In order to transform the resolution of the Fifth Party Congress into reality, we must be very specific in our actual activities. "Specificity and activity" must be the slogan which guides all of our work. Life demands that we oppose all manifestations of bureaucratism and superficiality. The party line points our way for us the major directions and will help us illuminate the specific problems. When implementing it we must grasp its spirit as accurately as possible. In

order to concretize the party's line the people who implement it must be capable of concretizing it and, by means of the consciousness of communists, and with all their hearts and minds, transform the party's policies and lines into reality.

We are living in the first phase of the period of transition to socialism. "Transition" means to go upward, but it also can mean going downward if we do not find appropriate forms and steps. The characteristics of the period of transition demand that we be creative, dynamic, acute, and flexible in guiding and implementing lines. Only thereby can we find the path to socialism that is best for our country.

5616

CS0: 4209/13

## AGRICULTURE

### GIA LAI-KON TUM CONSOLIDATES AGRICULTURAL COOPERATIVIZATION MOVEMENT

Hanoi NHAN DAN in Vietnamese 29 Aug 83 p 2

[Article by Nguyen Hong Diep of the Propaganda-Training Section of Gia Lai-Kon Tum Province: "Gia Lai-Kon Tum Consolidates Its Agricultural Cooperativization Movement"]

[Text] By the end of 1982 Gia Lai-Kon Tum had set up 74 cooperatives -- nearly 30 of which were on the scale of a village -- 907 production collectives, and 300 production solidarity teams. Of the cooperatives, 30 were made up of Vietnamese, 17 were made up of both Vietnamese and the other ethnic groups, and 27 were made up entirely of ethnic minority people. The cooperatives and production collectives include 60,154 families, 58.3 percent of the total number of peasant families; 124,630 workers, 57.5 percent of the total number of workers; and more than 40,376 hectares of land, 50 percent of the total cultivated area.

Thanks to collective production, Gia Lai-Kon Tum developed its potential, cleared wasteland, and increased its cultivated area from 17,000 hectares in 1975 to more than 85,000 hectares in 1982, including 25,000 hectares of two-crop rice land. It has built 1,120 large and small water conservancy projects with more than 3,000 kilometers of canals and ditches, thus creating land and water, the principal means of production of the cooperatives and production collectives, and implemented the policy of transforming agriculture, readjusted the land, and distributed 1,200 hectares to 16,000 people with little or no land. The cooperatives and production collectives have gradually raised their level of production organization and labor management, drafted appropriate production guidelines, improved their working methods, applied intensive cultivation techniques, and increased crop yields. Every year the collective economy has increased by an average of 40 to 50 percent. In 1982 the province's total grain output was 225,000 tons, a per-capita average of 382 kilograms. It has become self-sufficient in grain, ended chronic hunger, and sold to the state more than 30,000 tons of grain a year. The value of export commodities and animal husbandry has increased notably. The people's living conditions have improved. The social, security, natural defense, and cultural-educational tasks have been consolidated and developed.

The districts and cities of Sa Thay, Dac To, Play Cu, and Kon Tum have solidly developed agricultural cooperativization movements. The Doan Ket, Dien Binh, Dac To Can, Kon Cheo, Sa Son, Sa Binh, Sa NGHia, So Nhon, An Phu, Phu Hoa, Tan



Binh, Quy Duc, and other cooperatives, and one-third of the production collectives, have attained annual yields of 7 tons of paddy. By the beginning of 1981 nearly all of the cooperatives and half of the production collectives had contracted out production to groups and individual workers.

But some cooperatives and nearly 50 percent of the production collectives operate at a loss and are in danger of disintegrating. The individual economy overshadows the collective economy. In some collectives, the peasants concentrate on production on a certain number of fields to obtain rice with which to pay taxes and fulfill obligations, while the rest of the land is farmed individually, as in the past. There still exists the situation of leaving wet-rice paddies uncultivated and creating slash-burn fields. Every year, hundreds of hectares of valuable forestland are destroyed. Steps must be taken to solve those problems in order to consolidate the agricultural cooperativization movement.

The actual situation has proved that the cooperatives and production collectives with strong party organizations, governmental administrations, and mass organizations, a good corps of cadres, and leadership, organizational, and management abilities, and know how to operate effectively, bring into play the collective mastership right of the cooperative members, develop the strong capabilities of the localities, and draft appropriate guidelines, rapidly become mature and strong. In the cooperatives and production collectives which are made up entirely of ethnic minority people, the cadres have good virtue but their educational level is low (2 or 3 years of schooling) and they have not taken economic management courses, so the production movement has developed slowly. Therefore, there has occurred the situations of cooperatives investing thousands of workdays in creating wet-rice fields but cooperative members abandoning them and going into the forests to clear off upland fields; of cooperatives digging fish ponds but the cooperative members not raising fish; and of cooperative members not carrying out careful studies before raising a certain farm animal or growing a certain crop.

An outstanding feature of Gia Lai-Kon Tum is that for generations the shifting cultivation, nomadic way of life has deeply penetrated the consciousness and life of the people there, so they pay more attention to creating slash-burn fields than to growing wet rice. Without the cultivation of wet rice it is not possible to practice intensive cultivation to increase crop yields, and it is not possible to protect the forests. If that problem is to be well resolved, it is necessary to encourage the people to grow wet rice and develop production along the lines of intensive cultivation, while urgently training and cultivating the corps of basic-level cadres, doing a better job of carrying out the fixed cultivation and habitation work, strengthening the network of credit and marketing cooperatives, and gradually mechanizing agriculture.

The scale of cooperatives and production collectives in Gia Lai-Kon Tum must be reexamined. Dozens of cooperatives have 500 to 600 families with more than 600 hectares of cultivated land. A large number of production collectives have between 200 and 350 workers. Those scales are not appropriate to the cadres' management and production organization abilities in the present situation. According to the specific conditions of each locality, it is necessary to determine appropriate scales. With regard to the ethnic minority people, the

scale of each cooperative should only be 200 to 300 workers and 100 to 200 hectares. The production collectives should have only 50 to 60 workers. A hamlet can set up two or three production collectives.

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## AGRICULTURE

### PROGRESS IN SOLVING FOOD REQUIREMENTS OF NGHE TINH REPORTED

Hanoi NHAN DAN in Vietnamese 10 Aug 83 pp 2, 4

[Article by Thanh Phong]

[Text] For Nghe Tinh--a province with much land, few people, a long revolutionary tradition, and a labor base--there are many problems to be solved in the process of socialist construction, but the biggest one of all is still that of reaching a balance in its food needs and production. Many people wonder why Nghe Tinh, in spite of its large population, large labor force, and no shortage of land, is still not self-sustaining in food. Will the name Nghe Tinh always be associated with food shortage? What are the current realities of food in Nghe Tinh?

#### Objective Difficulties, Subjective Failure

Nearly 3.2 million people presently inhabit Nghe Tinh. The area was severely damaged during the U.S. war of destruction; the material base of its industry, agriculture, fisheries, and forestry suffered heavy destruction. Many areas of Nghe Tinh have poor climatic conditions. It is also frequented by west winds and storms. Both 5th-month and 10th-month crops are damaged. Nghe Tinh has a great need for electric power, to fight drought and flooding, and fertilizer for intensive cultivations yet these two assets are very scarce--electricity, especially, is in short supply, with long outages. The per-capita supply of electricity still averages a mere 5 kilowatt-hours. From 1973 to 1977, with maximum exertion and in a spirit of state and people working together, Nghe Tinh succeeded in restoring and building a number of new projects to support agriculture, then the historic floods of 1978 wiped them all out. It might be said that, after the 1978 floods, everything in the fields had to be rebuilt from scratch. Then the October 1982 storms caused more damage than had ever been experienced before in the history of Nghe Tinh. The party apparatus and people boldly faced reality and resolved to overcome the difficulties, with help from the rest of the country and the world. After the 1978 floods, which destroyed the material base of the collective, the province directed the people to rent land to plant subsidiary vegetable crops, which helped save millions of people from starvation. The economy deteriorated; many cooperatives had management problems. The provincial party committee launched a movement "to build and consolidate agricultural cooperatives and the rural infrastructure." Nghe Tinh was now of the

provinces that early received Instruction 100 of the Secretariat of the VCP Central Committee, and it was clearly effective in many ways: labor and the area under cultivation were employed at the peak of effectiveness; yields increased; during the years 1980 to 1983, the level of food mobilization raised above that of previous years. Though still difficult, daily life became increasingly stable. Also, the agricultural effectiveness of this people, on this land, in this climate, was different from what it had been before. Nevertheless, with utmost endeavor, Nghe Tinh was still unable to exceed a total of 600,000 tons of grain in paddy equivalent (as calculated for the 1981-82 grain year). Nghe Tinh has found that, although it has the potential for improving grain production further, shortcomings in guidance persist. Most clearly, there is a continuing failure to combine life and science, and there are deficiencies of every sort: insufficient quality and synchronism; inadequate concentration on goal accomplishment; putting too little stress on productivity, quality, and effectiveness; a continuing failure to set the right course for the economic base on the district and the province scale and to arrange patterns of cultivation and crop rotation in a rational way. Economic management is still slow, with a strong tendency toward conservatism, dependence on others, protectionism; and a failure to rapidly introduce science and techniques to the production effort. For a rather long time, Nghe Tinh has slighted infrastructure building and expansion, and, therefore, has neither raised the level of the party organization's collective intelligence, nor developed the great spirit of collective ownership and creative ability of the working people.

Objective difficulties and subjective failure cause Nghe Tinh to be late, on one hand, in overcoming problems posed by nature and the enemy and, on the other, in developing its own strengths.

#### How To Solve the Food Problem?

People ask why Nghe Tinh, although it has good harvests, still needs regular aid from the central echelon. It is true that for the past 5 seasons Nghe Tinh has had no crop failures; total yields have increased, partially due to the positive effects of a number of new policies, especially that of product contracting with the laborer in agriculture. The figures bear this out: in 1980, Nghe Tinh had total yields of 610,000 tons; in 1981, it had more than 700,000 tons; in the 1982-83 grain year, Nghe Tinh strove to attain a total of 770,000 tons of grain in paddy equivalents. Averages in these years surpassed those of many previous years. In these 2 years, Nghe Tinh promoted the payment of obligations to the state with grain on a larger scale than many previous years--in 1980, 72,000 tons were paid; in 1981, 103,000 tons were; in 1983 (Nghe Tinh) aimed at and exceeded a goal of 140,000 tons. Actually, if we compare total yields achieved with the labor potential and land area of the province, the effort does not seem great, but if we consider that this people, on this land, with this climate, and in spite of continued lack of change in the material and technical base, (has attained these yields) with the investment in materials by the central echelon not only not increasing, but even decreasing from what it was in former years, then it is a truly great effort. Nghe Tinh used to receive more grain than

any other province from the central echelon--counting only as far back as 1971, the central echelon had to transfer 177,000 tons to Nghe Tinh, and as of 1979 still had to ship 80,000 tons. In 1980, the amount brought by the central echelon had decreased to 58,000 tons, and in 1980 it had decreased to 47,000. But we must also be clear about to whom and for whose use this grain was brought in. Nghe Tinh is a province with many central echelon enterprises, state farms, state forests, schools, stations, and camps on its land. The cadres, workers, and officials of these units alone require Nghe Tinh to issue a yearly average of around 40,000 tons of grain. The amount of grain provided by the central echelon, therefore, is fortunately enough to supply units managed by the central echelon on land of the province. The economic units of the central echelon on land in Nghe Tinh furnish central sectors a rather large volume of products yearly: 270,000 square meters of lumber; nearly 7,000 tons of oranges in good years, 3,000 in bad ones; an average of 300 tons of coffee, about 5,000 tons of peanuts, and 80,000 tons of slat. In local tea alone, 500 tons are supplied yearly to the Ministry of Agriculture (not through the Ministry of Foreign Trade). Nghe Tinh receives nothing in exchange for this large volume of products--except for peanuts and salt, for which (it is given) rice and exchange goods, but irregularly and in insufficient quantities--yet the province must provide this production force with 100 percent of its food.

We are informed that Nghe Tinh has 10 state farms administered by the central echelon. For dozens of years these state farms have controlled a rather large area of land, with red and fertile soil, but they actually cultivate only about 60 percent of it, with 40 percent either laying fallow or divided among cadres and workers of the state farm for "self-sufficient production." Meanwhile, right next to the state farms, cooperatives are short of land for production, but even a labor surplus does not warrant tampering with this "inviolable" privilege. The rather ironic part is that many state farms have large "self-sufficiency production" areas, so workers and officials have surplus rice, corn, and cattle fodder, but the grain sector of Nghe Tinh must nevertheless provide in full measure the amount of rice stipulated each month, and if a delivery is late or short, the province immediately receives vituperous complaints. The resolution of such problems by central sectors with the local level could increase the possessions of society and at the same time avoid some of the troubles that plague relations between the local level and some sectors of the central echelon. If state farms and state forests would correctly plan land allocation, use land in a business basis, and exploit the land of the province to its fullest potential, there would then be in western Nghe Tinh alone enough land for local people to build a new economic zone, instead of sending people into southern provinces.

#### New Accounting Procedures, Proposal To Central Echelon

This is not to say that Nghe Tinh will have enough food if it does not have to "support" the labor force managed by the central echelon. Should all the above issues be resolved, the province would then be able to resolve its food needs only with great effort. In the new economic formula,

Nghe Tinh emphasizes innovating the crop cultivation pattern and introducing new seed varieties more aggressively. Nghe Tinh has had success with the first crop using the Xi and IR36 varieties in the main planting--such varieties are transplanted before the season's winds come, are drought-resistant, and only require that the roots have water. The entire province will use these varieties in the summer-fall (early season) crop, and after the harvest there might be time to plant a winter crop of subsidiary foods. Nghe Tinh has very great potential for (raising) subsidiary food crops. In 1976 alone, 11,700 tons were raised provincewide, and in 1981 the figure had grown to 18,000 tons. But subsidiary foods have not achieved the status of staples, because they are not being processed well--they are considered supplements in some areas; "something extra to eat." Nghe Tinh will use to the maximum extent all economic areas in delta, highlands, and beaches, and fishing (waters) to increase food, consumer goods, and export goods. The province looks on the food problem not merely as an agricultural one, but one shared by such sectors of the economy as industry, agriculture, forestry, and fisheries, and even distribution and circulation and birth control. In addition to the 2-rice-crop area and the area with 1 rice crop and 1 subsidiary food crop, the districts plant trees and extract lumber and surreptitiously eat fruit from 860,000 hectares of hillside land and exploit 800,000 hectares of rain forest in a rational way that protects forests for lumber and increases the food (production) area. They also exploit sources of ocean fish and salt, and they use and raise fish in the 6,000 hectares of fresh water presently available. The right pattern has been worked out for crops, trees, and livestock; economic zones have been correctly divided to start intensive cultivation of each crop and each type of livestock in each different area.

Nghe Tinh has land, has a labor force of 2.2 million, has accurate plans and projects, and has much determination. But what it lacks, what makes it dependent, is a good material and technical base, especially electricity and fertilizer, so that nature cannot be firmly controlled. In an area "flooded before it rains, dried out before the sun shines," electricity for flood and drought control is extremely necessary, but only 4-5,000 kilowatt-hours are supplied provincewide, and that is not dependable. Fertilizer is necessary for intensive cultivation--a rather large amount of organic fertilizer is processed and used locally, but there is a serious shortage of chemical fertilizer. The amount of chemical fertilizer presently used only meets 30 percent of the need; Nghe Tinh lacks lime and phosphorus, so needed by the soil. For some, like lime, the central echelon must be relied on; the province can produce others, like phosphorus, but its lack of coal makes it impossible for the province to produce it. Transport power is also a complex problem. There are plenty of vehicles, but there is such a great shortage of accessories, raw materials, and fuel that it is sometimes impossible to pick up supplies issued by the central echelon, opportunities are missed, and productivity drops. If 10,000 kilowatt-hours of uninterrupted electricity could be made available, flood and drought would be controllable, so that intensive cultivation could be maintained and consumer goods could be produced and subsidiary foods

processed for introduction in to the diet. Nghe Tinh has long possessed 2,000 tons of sugar, but supplies 2,000 tons of rice to the cane-growing area. The province has decided not to contract the work out any more, but to purchase all the presses in the mills, thereby becoming capable of increasing the yearly output of sugar to 3-5,000 tons. Only 2,000 tons will be designated for export, which will be enough to provide an equal amount of rice to the cane-growing area, and the rest will go toward the shortage of electricity. If farmers were allowed on a contract basis, to continue to bring cane to the mill for sugar to be extracted, Nghe Tinh would continue yearly to lose rice, to lose 1,000 tons of sugar that would not end up in the hands of the state, and to lose 8 million dong in uncollected taxes. To increase the area under cultivation and increase sources of food, Nghe Tinh has proposed that the central echelon somehow combine sector with regional management, or research (the feasibility of) turning over the management of a number of state farms to the province. This would create more land and products for society, because bringing them under provincial management would centralize projects, planning, and management of land and products, which would prevent the present confused situation.

In the 1982-83 grain year, Nghe Tinh fulfilled its obligation to the state; a portion of the farmers had "something to eat and something to save"; the number of families short of food greatly declined, even when harvest time approached; and prices were relatively stable. With efforts like the present, and with concrete socioeconomic methods, if it receives more help from the central sectors, Nghe Tinh is certain gradually to solve the food problem, gradually decrease the amount of food supplied by the central echelon, approach self-reliance for food on a district and provincial scale, rightly fulfill obligations to the state, contribute with the rest of the country to satisfying food needs by domestic production and mobilization, and reach the objective set by the resolution of the 5th VCP Congress and the 3rd and 4th Plenums of the VCP Central Committee.

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## AGRICULTURE

### CROP RECORDS CALLED NOT TRULY MEANINGFUL

Hanoi NHAN DAN in Vietnamese 29 Aug 83 p 2

[Article by Huu Tho: "Records, Harvests, and Life"]

[Text] In the enterprise of developing agriculture during recent years, in addition to the victories of harvests we have begun to become accustomed to new records. Not long ago everyone enthusiastically greeted as rare events the attainment by cooperatives of annual yields of five tons of paddy per hectare, but now some cooperatives attain winter-spring yields of more than 70 quintals per hectare and annual yields of more than 100 quintals of paddy per hectare. Some places have attained yields of 200 quintals. Such records, it may be said without exaggeration, may be compared to the rice yields of many advanced nations in the world.

However, everyone welcomes those accomplishments because harvests are related to their lives, not because they are records. What the famous Soviet agricultural writer V. Ovetskin wrote in the 1950's raised hopes and also sounded a warning. We must achieve records to build confidence in great potential capabilities which have become reality on a small scale, while also gaining experience in transforming those capabilities into reality on a large scale. Records are needed for the sake of the harvests. Records separated from harvests are "samples displayed in a glass case" and are not related to the life of society as a whole, but at most to a few people.

Agricultural production differs from that of the other sectors, and there are differences among individual yields, collective yields, and experimental yields, and between yields on a small scale and those on a large scale. That is an objective truth which must be recognized if there is to be a just evaluation. But the extent of those differences depends on the social system, the managers, and the workers.

Records are outstanding accomplishments on the part of each individual and small production unit, while harvests are uniform accomplishments on a large scale and on the part of everyone, and are tied in with social life. In addition to tools and workers, recently a number of scientists have regarded natural conditions -- the earth and the sky -- as an element of agricultural production forces. Whether natural conditions are favorable or adverse affects record yields and crops. Therefore, if comparisons are to be less misleading they can only be made when natural conditions are similar. That is at it



should be. The record yields of Cai Lay, Cai Be, Hong Ngu, Tam Nong, Cho Moi, Phu Chau, Phu Tan, Thot Not, Dong Hung, etc., in a season are related to the provincial-level records of An Giaang, Dong Thap, Tien Giang, Hau Giang, Thai Binh, etc. But the difference between records and harvests is still quite great. In a province which produces skilfully, the record yields of districts differ from the average yields by 5 to 10 quintals per hectare per season. In a district which practices intensive cultivation skilfully, such as Hai Hau District in Ha Nam Ninh Province, there was a disparity of 17 quintals of paddy per hectare among three cooperatives which attained record yields during this year's spring season. If the yield of the Dai Phuoc cooperative had been compared to Dai Loc District (Quang Nam-Da Nang), the difference would have been even greater.

No one thinks that it is necessary to increase the average of a whole district or a whole province until it equals that of the leading unit, for it would not be possible to do so and if it were possible it would no longer be a record accomplishment. Records will develop along with the advance of the three revolutions. But can the gap be narrowed? For example, can the gap be cut in half? If that could be done, output could increase by tens of percentage points. The reason for the high regard shown for records, and why such accomplishments are common property, lies herein. A brick connecting records and harvests is the effect of organization and man and his skill in leading production.

Agriculture is a principal production sector which creates products to meet the consumer needs of man. For that reason, recently a number of economists have wanted to calculate the ultimate output of agriculture in terms of the quantity and quality -- especially quality -- of products placed on the table, or products which people directly consume. According to them, that is the only correct way of calculating and takes into account the quantitative and qualitative deterioration of crops after the harvest, which is a topic now being discussed rather seethingly around the world.

Thus harvests in their strictest sense, even if they are more directly related to life than are records, do not fully reflect the life of man. Even if they are only a little inaccurate, the calculations of nutritionists will result in considerable errors.

It also should not be thought that it is possible to stop all product loss after crops are harvested. According to FAO data, even in countries with storage facilities, processing industries, and an advanced transportation sector, the spoilage ratio is 10 to 20 percent of the output.

What is the situation in our country? With regard to data about crops in the field and the people's living standards, it is necessary to calculate deductions. The announced yield is the statistical yield. From the actual harvest, at least 7 percent (or more) of the statistical output must be deducted to derive the distributed amount. According to the observations of some foreign specialists, when produces are moved by road or river, when adequate storage yards and warehouses are not prepared, and when goods are left outdoors, at times and in places the depletion rate is 20 percent or even higher. According to the calculations of many people, in the transportation

phase the depletion rate is about 10 percent. In the milling phase, ordinarily peasants calculate that 10 units of paddy will yield 7 units of husked rice, but our rice mills produce only 64 to 65 percent husked rice.

An even more important matter is the quality of products. We usually calculate a relative "quantity" based on the number of kilograms of rice a person eats every month, and when the rice is used it is necessary to calculate how much nutrition and how many calories there are. There is another matter that is very worthy of concern. We carried out trial inspections totalling tens of thousands of tons, not just a little, and found that under our present storage conditions 9 months after good paddy is deposited in a granary its protein declines by 6 percent and its fat declines by 29 percent. After 10 months good husked rice loses 33 percent of its protein and 42 percent of its fat. One person calculated that for every kilogram sold 60 to 100 grams of paddy and 30 to 40 grams of sand have to be thrown away, i.e. the consumer loses 2 to 3 percent of the product's weight.

Finally, there is the life of man. Records and harvests are the result of organization and man. The effect of crops on life also results from organization, man, and material-technical bases on a broader scale, not only in the agricultural sector but also in industry, communications and transportation, and distribution and circulation. I must repeat that we should not think that we can completely eliminate the damage ratios. But if only 1 percent of the depletion is eliminated, that would be the same as increasing output by 1 percent, i.e. by 170,000 tons of grain in terms of paddy per year. But everyone realizes that it is more difficult to increase output by 1 percent than it is to reduce depletion by 1 percent. If we make all-out efforts the improvement would not be only 1 percent. Many people think that the true figure would be five times that under the present conditions.

A country which is still poor and is experiencing difficulties with regard to food, such as our country, must think of many ways and methods and do a thorough job, for the sake of the lives of our beloved people.

5616

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## POPULATION, CUSTOMS AND CULTURE

### RESISTANCE TO FOREIGN CULTURAL INTRUSION URGED

Hanoi NHAN DAN in Vietnamese 29 Aug 83 p 3

[Unattributed article: "Resolutely Defeat the Enemy's Many-Sided War of Destruction: Eliminate Poisonous Cultural Currents"]

[Text] Sending poisonous cultural currents into our country is an insidious scheme which is part of the many-sided war of destruction of the Chinese expansionists and hegemonists in league with the U.S. imperialists and the other international reactionary imperialist powers. The goals of that scheme are to influence the thought and wholesome way of life of our people, persuade our country's young generation to gradually adopt the way of life of pacifism, pleasure-seeking, disorder, and depravity, and ultimately create a feeling of confusion, disgust, and alienation toward socialism.

#### Harmful "Gifts"

Since the liberation of the south and the unification of the nation, our country's economic, cultural, scientific-technical, and tourist relations have been expanded. More than 150 countries exchange letters, postal parcels, and goods with our country. The state allows people with relatives abroad to receive and send goods, including cultural products. Today, economic and social intercourse among the peoples and nations of the world is essential. But the hostile powers have taken advantage of those relations to carry out plots to sneak various kinds of reactionary, decadent cultural works into our country to sabotage our people's life of wholesome, productive labor. In Ho Chi Minh City, every month thousands of families receive goods from abroad and send goods abroad. In the other provinces there are also hundreds of families who receive and send such goods. Since the beginning of 1983 several thousand decadent, reactionary cultural products have been intercepted at the ports of entry and at a number of other important points. Those items have been disguised as "gifts" sent in crates, parcels, and letters, or sent via foreign tourists visiting our country. They had been concealed in many different forms.

A pile of old tape has been pressed down to line the crate to prevent the contents from breaking. But if we patiently disentangle the tape, straighten it out, wind up hundreds of meters of it, and play it, it becomes an "epic" with insolent words which slander socialism and communism. When played, many brand new tapes give no sound, but when the reverse side is played they give

forth the tear-jerking, romantic songs of an outmoded time. The middle and end segments of the tapes include frienzed, cacophonous songs which offend the ears and the mind. Before going to pick up parcels some people receive letters informing them that the parcels include light music by reactionary musicians who emigrated. Such people then take along unused tapes and seek ways to substitute them for the reactionary music tapes. But with a strong sense of vigilance, the personnel of the customs office and the cultural protection organs have many times caught people in the act of making the substitution. Many reactionary books, newspapers, and photographs of the U.S. and the counterrevolutionary emigree elements, consumer goods, and many kinds of decadent, lascivious cultural products, as well as foolish fortunetelling books, are also concealed in the luggage and clothing of people entering our country by sea or air.

In a parcel of gifts sent to a person in Binh Thanh Precinct (Ho Chi Minh City) there were 200 leaflets which slandered our socialist regime and encouraged uprisings and rebellion. On another occasion cadres inspecting the exporting and importing of books and newspapers found in the luggage of a passenger traveling from Singapore to Tan Son Nhat (Ho Chi Minh City) nine three-striped [Republic of Vietnam] flags and hundreds of meters of tangled music tape on which there had been recorded decadent songs which encouraged opposition to the revolutionary regime.

Clearly, our enemies every day and every hour seek all ways to bring into our country "gifts" which bear the venom of imperialism and capitalism, and endeavor to cause our people to become confused and lose their vigilance.

#### People Who Assist the Enemy

Such people are counterrevolutionaries, obstinate elements among the exploiting elements, speculators, blackmarketers, and people who are accustomed to an undisciplined, profligate way of life.

After the liberation Ly That T, owner of the "An Pha" printing plant in Saigon under the old regime, was hired by Collective Printing Plant No 1 of Joint Public-Private Printing Enterprise No 2. Because of his obstinate nature and unwillingness to earn an honest living, he sought ways to make illegal profits. In a period of 2 months in 1982 he printed and published 140,000 copies of foolish books which had the effect of sabotaging the building of a new culture and the new socialist man. His nefarious acts were stopped by the people.

In Subward 15 of Tan Binh Precinct (Ho Chi Minh City) a private shop which recorded and reproduced music tapes was outwardly disguised as a place which reproduced revolutionaary music tapes but in fact it used modern facilities to reproduce reactionary, decadent music. On 3 June 1983 a cultural inspection team caught the owner, Ngo Kim Luong, in the act of reproducing decadent music tapes and found on the premises 553 reactionary, decadent music tapes, including recent ones that had just been brought into the city.

The "Trang" cafe on Tran Quang Khai Street dealt in poisonous cultural products. A cultural inspection team found there 175 records and 10 tape cassettes of bad music from the U.S., Taiwan, etc., including many music tapes

by reactionary emigre singers and musicians which wailed and screamed opposition to the homeland. Pham Thu Dong, owner of the "Trang" cafe, was sentenced to 4 years in jail by the people's court of Ho Chi Minh City.

The vestiges of the pleasure-loving, decadent way of life and commerce in the above-mentioned cultural products have also appeared in a number of provinces and cities in the north. To attract customers, a number of theaters have staged popular music, martial arts, dagger fighting, and other performances. Many youths like to wear "T-shirts" on which there are printed advertisements in foreign languages, or absurd, queer pictures which evoke a romantic, debauched way of life. Because they chase after foreign "styles" unselectively, many people unintentionally or intentionally allow the poisons of a base, diseased taste to gradually penetrate their souls and shatter the pure artistic traditions of our people. They thereby lead themselves to aiding the enemy.

#### Eliminate Them

The class struggle on the cultural front is part of the struggle against the enemy's many-sided war of destruction and is part of the struggle between the socialist and communist paths to determine "who defeats whom." It is a very fierce and prolonged struggle.

We must take steps to develop the strengths of our natural culture to serve as a basis on which to squash the ugly, alien culture and art of the old regime and of the new enemies, who are going all-out to sabotage our people's pure souls and sentiment.

Cultivating wholesome artistic tastes and resolutely reforming and eliminating the low artistic taste of people who enjoy culture are very basic tasks in opposing all poisonous cultural currents flowing into our country from the outside. There must be complete coordination by many sectors and state organs in order to suppress, confiscate, and vigorously and continually struggle against the various kinds of reactionary, decadent culture, while also going all-out to create many socialist cultural-artistic works with profound contents and interesting forms, which are attractive to viewers and readers.

Opposing the tendency of bringing culture and art into the commercial orbit and the pursuit of money is essential. If culture and art are transformed into goods to be sold for profit, that will easily give rise to many negative phenomena in society and create a situation in which musical and drama performances, movie screenings, tape listening, etc., are organized haphazardly, and in which it will not be possible to control the artistic-cultural contents and forms. Because of a rightist tendency, in many places cultural-artistic activity centers have become centers for play, pleasure, and even the dissemination of decadent, uncultured cultural products.

Culture and art are sharp ideological weapons. We cannot relax our control of them and allow people to sing anything they wish to sing or perform anything they want to perform, without paying attention to shaping, cultivating, and improving wholesome cultural tastes on the part of cadres and people, so that they can become increasingly better. Restaurants and cafes with music, and

places which print or reproduce music tapes, photographs, or other cultural products, must be continually inspected. It is necessary to guide and disseminate management and production measures, properly apply them, and expand the use of wholesome music of the world and of our country.

Socialist culture and art must win the souls of our people. We are determined not to permit anyone to possess or distribute the cultural products of people who are exploiters and parasites which have base, backward, reactionary contents.

The enemy always use reactionary culture and art to influence the thought and sentiment of our people. Then they can attack us in many other ways. Our cultural-artistic activities which stray from the viewpoints and lines of our party benefit the enemy. We must remain vigilant, clear-minded, and calm, and must uncover poisonous cultural currents in order to eliminate them. At the same time, we must strive to build a strong, rich, varied socialist culture so that it can become a sharp weapon of the revolution and contribute to, along with the entire nation, completely defeating the enemy's many-sided war of destruction.

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